

RESOLUTION NO. 18/19-31

**RESOLUTION OF THE GOVERNING BOARD OF THE
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
APPROVING AND AUTHORIZING THE EXECUTION OF A
SCHOOL FACILITIES FUNDING AND MITIGATION
AGREEMENT AND JOINT COMMUNITY FACILITIES
AGREEMENT, AND DELEGATING AUTHORITY RELATED
THERE TO**

WHEREAS, Pardee Homes and TRI Pointe Homes, Inc. (collectively “Developers”) own certain real property within the boundaries of the William S. Hart Union High School District (“District”), which is identified as a portion of Tract Map 60922 in the City of Santa Clarita, County of Los Angeles (“Property”); and

WHEREAS, the Property is included in Community Facilities District No. 2019-1 of the Saugus Union School District (the “CFD”); and

WHEREAS, the Property is expected to be developed with approximately 234 dwelling units in accordance with land use entitlements originally granted by the County of Los Angeles; and

WHEREAS, the development of the Property will generate additional junior-high school and high school students within the District’s boundaries, which will require, but not be limited to, additional interim and permanent school facilities including land, buildings, furnishings and equipment, interim and permanent classrooms, central administration and support and transportation facilities; and

WHEREAS, the District and the Developers propose to enter into an agreement (“Mitigation Agreement”) governing the payment of “Fair Share School Impact Mitigation Payments” and the financing thereof by means of a community facilities district formed by the Saugus Union School District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended; and

WHEREAS, pursuant to Government Code Section 53316.2, a community facilities district is authorized to finance facilities to be owned or operated by an entity other than the agency that created the community facilities district pursuant to a joint community facilities agreement; and

WHEREAS, the Developers, the District, and Saugus Union School District (“Saugus”) have negotiated an agreement entitled, “Joint Community Facilities Agreement” (“JCFA”) and the JCFA provides terms and conditions related to providing public facilities for the District within the Saugus CFD’s boundaries.

NOW, THEREFORE, the Governing Board does hereby find, determine, resolve, and order as follows:

Section 1. The foregoing recitals are true, correct, and are incorporated herein as if fully set forth.

Section 2. The Board hereby approves the Mitigation Agreement, a copy of which is attached hereto as Exhibit A. Superintendent, or designee, is hereby authorized to make non-substantive revisions to, and to execute the Mitigation Agreement on the District's behalf.

Section 3. The Board hereby approves the JCFA, a copy of which is attached hereto as Exhibit B. Superintendent, or designee, is hereby authorized to make non-substantive revisions to, and to execute the JCFA on the District's behalf.

Section 3. This Resolution shall take effect immediately upon approval by the Governing Board.

APPROVED, ADOPTED, AND SIGNED on April 17, 2019.

**GOVERNING BOARD OF THE
WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT**

By: _____
Robert N. Jensen, President of the
Governing Board of the William S. Hart
Union High School District

By: _____
Linda Storli, Clerk of the Governing Board
of the William S. Hart Union High School
District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Linda Storli, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that: (i) the Governing Board duly approved and adopted the foregoing Resolution No. 18/19-31 during its regular meeting on April 17, 2019; (ii) an agenda and notice of such meeting were prepared and posted as required by law; (iii) a quorum of the Governing Board was present and acting throughout such meeting; and (iv) the Governing Board approved and adopted Resolution No. 18/19-31 by the following vote:

- AYES:
- NOES:
- ABSTENTIONS:
- ABSENT:

By: _____
Linda Storli, Clerk of the Governing Board
of the William S. Hart Union High School
District

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, Linda Storli, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that: (i) the foregoing is a full, true, and correct copy of Resolution No. 18/19-31 duly adopted by the Governing Board during its regular meeting held on April 17, 2019; and (ii) as of the date specified below, the Governing Board has not modified or repealed Resolution No. 18/19-31.

Dated: April 17, 2019

By: _____
Linda Storli, Clerk of the Governing Board
of the William S. Hart Union High School
District

EXHIBIT A

(Exhibit to begin on the next page.)

SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT

This School Facilities Funding and Mitigation Agreement ("Agreement") is made and entered into as of April 17, 2019 ("Effective Date") by and between the William S. Hart Union High School District ("District"), a public school district organized and existing pursuant to the laws of the State of California; Pardee Homes, a California corporation ("Pardee"); and TRI Pointe Homes, Inc., a Delaware corporation ("TRI Pointe" and, with Pardee, each a "Developer" and, collectively, "Developers"). The District and Developers may hereinafter be referred to individually as "Party" and collectively as "Parties."

RECITALS

A. The Developers own certain real property currently located within the boundaries of the District, the Saugus Union School District ("Saugus") and the Sulphur Springs Union School District ("Sulphur Springs") in the City of Santa Clarita ("City") as described in Exhibit A attached hereto (the "Property"). The Developers and Saugus have entered into a mitigation agreement to mitigate the impacts on Saugus from development of the Property and provide for the funding and financing of the school facilities for Saugus ("Saugus Facilities").

B. The Property is included in Community Facilities District No. 2019-1 of the Saugus Union School District (the "CFD"). Portions of the Property are the subject of a proposed territory transfer between Saugus and Sulphur Springs (the "Territory Transfer") in accordance with petitions filed by Saugus and Sulphur Springs with the Los Angeles County Committee on Education ("LACOE"). Consequently, certain portions of the Property have been included in the CFD that are subject to the special taxes of the CFD only if and when the Territory Transfer is approved by LACOE (the "Contingent Included Parcels") and certain other portions of the Property that are subject to the special taxes of the CFD initially but will be excluded from the CFD if and when the Territory Transfer is approved by LACOE (the "Contingent Excluded Parcels"). The boundary of the CFD, including the Contingent Included Parcels and Contingent Excluded Parcels are described in the CFD Boundary Map attached hereto as Exhibit B.

C. Saugus, Pardee and TRI Pointe have prepared a form of joint community facilities agreement to be entered into with the District with respect to the CFD (the "JCFA"). This Agreement shall only become effective if and when the JCFA is fully-executed by all parties to it.

D. The Property is expected to be developed with approximately 234 dwelling units (each, a "DU") in accordance with land use entitlements originally granted by the County of Los Angeles (the "Land Use Entitlements").

E. The Parties acknowledge and agree that the development of the Property will generate additional junior-high school ("JHS") and senior-high school ("SHS") students within the District's boundaries (collectively, "Project Students"). The Developers further acknowledge that the District must provide interim and permanent school facilities including land, buildings, furnishings and equipment, interim and permanent classrooms, central administration and support and transportation facilities, which may include, without limitation, expansion, improvement or rehabilitation of buildings and/or other tangible property, along with required on-site and off-site improvements, and the planning, design and other "soft" costs (collectively, "School Facilities")

for the benefit of the Project Students. The District believes it does not have capacity in its existing School Facilities and, therefore, may need to construct or otherwise provide additional School Facilities ("Hart Facilities").

F. The facilities proposed to be financed by the CFD include public facilities to be owned and operated by the Santa Clarita Valley Sanitation District of Los Angeles County ("Sanitation Facilities" and collectively with the Saugus Facilities and Hart Facilities, "Public Facilities").

G. Historically, when State funds are available, the State has provided a portion of the funding necessary for new school construction ("State Funding"). Subject to certain limitations, the State presently may provide school construction funds to school districts that meet the State's eligibility and local-matching-fund requirements pursuant to the Leroy F. Greene School Facilities Act of 1998 ("SFP"). The Parties acknowledge the possibility that the District may receive State Funding for a portion of the cost of the additional Hart Facilities needed to accommodate Project Students. However, there is no guarantee that the District will receive such State Funding in an amount sufficient to provide Hart Facilities for the Project Students and other students within the District's boundaries. As part of this Agreement, the District assumes the risk that State Funding will not be available to assist in funding the Hart Facilities necessary to mitigate the impacts of the development of the Property and Developers waive any right to seek reimbursement from or participation in any State Funding received by the District to mitigate the impacts on the School Facilities from the Project Students.

H. As consideration for the payment of the Mitigation Payments, as defined in Section 1.2, for each DU constructed on the Property, the District has agreed to fund all and or a portion of the Mitigation Payments through the CFD.

I. The Parties intend to enter into this Agreement and the JCFA in order to establish the Developers' mitigation of the impacts of the development of the Property and the financing of the Mitigation Payments to provide the Hart Facilities.

In consideration of the foregoing, and of the terms and conditions set forth herein, the Parties agree as follows:

AGREEMENT

ARTICLE I

PROPERTY DEVELOPMENT AND MITIGATION

Section 1.1 Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference as if set forth in full.

Section 1.2 Mitigation Obligation.

(a) The District has caused to be prepared and approved a 2018 report establishing fair share mitigation payments, which report is entitled "Fair Share School Impact Mitigation Payment Adjustment Analysis for "Calendar Year 2018" ("2018 Fair Share Analysis"). The 2018 Fair Share Analysis establishes the current fair share mitigation amounts applicable to

each DU in calendar year 2018 and 2019 to mitigate impacts from new residential development within the District's boundaries ("Mitigation Payments"). The 2018 Fair Share Analysis is on file and may be reviewed at the District's main administrative office. The 2018 Fair Share Analysis has been updated and is scheduled to be considered for approval in May, 2019.

(b) The Mitigation Payments payable hereunder to the District, if received by the District in calendar year 2019, prior to being adjusted as of May, 2019, are twelve thousand five hundred twenty-eight dollars and seventy-six cents (\$12,528.76) for each single family detached dwelling unit ("SFDU"), ten thousand four hundred seventy-three dollars and forty-four cents (\$10,473.44) for each detached condominium unit ("DCU") and seven thousand three hundred eight dollars and ten cents (\$7,308.10) for each multi-family dwelling unit ("MFDU"). Thereafter, the Mitigation Payments shall be the then-current fair share amounts adopted in subsequent annual Fair Share Analysis reports in accordance with Section 1.4 below. In the event the fair share payments are no longer being implemented or adopted by the District, Developer shall pay the then-current statutory school fees pursuant to Education Code Section 17620 et seq. and Government Code Section 65995 et seq. ("Statutory School Fees") or similar or successor statutes or requirements.

(c) With respect to any Age-Restricted DU or Commercial Development occurring on the Property, Developer shall pay such then-current statutory school fees as are required ("Commercial/Industrial Statutory School Fees").

Section 1.3 Developer Payments. Pardee has made a non-refundable deposit with the District in the amount of twenty thousand dollars (\$20,000) for costs of the District and District consultants associated with the preparation of this Agreement, the Joint Community Facilities Agreement and expenses associated with the District's participation in the financing of the Mitigation Payments as provided herein.

Section 1.4 Adjustments To Mitigation Payment Under Fair Share School Impact Mitigation Payment.

(a) **Adjustment Factors.** The Mitigation Payment amounts are reviewed and adjusted annually. The adjustments shall be based on variations in student generation factors ("SGF"), land value of school sites ("Land Value Component") and costs of construction, furnishings, equipment and related costs ("Non-Land Value Component") as follows:

(i) **Student Generation Factors.** The amount of the Mitigation Payments shall be increased or decreased based upon the recalculation of the SGF for the District determined in accordance with the methodology set forth in the 2018 (or later year) Fair Share Analysis and the other provisions of this Section.

(ii) **Land Value Component.**

(1) The amount of the Mitigation Payments shall be increased or decreased based upon revisions to a Land Value Component assuming a construction-ready condition, with dedicated and improved public roads and utilities, including storm drainage facilities. This Land Value Component has been used in calculating the Mitigation Payments that are currently effective. The Parties acknowledge this value per acre may vary as the Property is

developed. This adjustment shall be determined by the appraised fair market value ("FMV") per-net-acre of the site(s) then under consideration by the District for the next JHS site and the next SHS site (each a "Proposed Site"). If the District identifies only one Proposed Site (whether JHS or SHS), adjustment of the Land Value Component shall be based on the appraised per-acre value of that Proposed Site. If the District identifies more than one JHS Proposed Site or more than one SHS Proposed Site, the JHS Proposed Site appraised value or the SHS Proposed Site value shall be based on the average of the appraised per-acre FMVs of all JHS Proposed Sites or all SHS Proposed Sites, respectively.

(2) The District shall select an appraiser ("District Appraiser") to conduct the appraisals of the Proposed Sites. The District shall pay the cost of the appraisals. Each Proposed Site shall be appraised on the basis of its highest and best use, as determined by the District Appraiser. If Developers do not concur with the District's choice of the District Appraiser, or with the District Appraiser's opinion of the FMV of a Proposed Site, Developers may, at their own expense, designate an appraiser ("Developer Appraiser") to independently appraise the Proposed Sites and prepare a report establishing and supporting the Developers Appraiser's opinion of the FMV of the Proposed Site. If the opinions of the FMV of a Proposed Site determined by the District Appraiser and the Developer Appraiser differ by ten percent or less of the lower opinion of value, the appraised FMV of the Proposed Site shall be deemed to be the average of the FMVs specified in those two appraisals of the Proposed Site. If the opinions of the FMV of a Proposed Site determined by the District Appraiser and the Developer Appraiser differ by more than ten percent of the lower opinion of value, the District Appraiser and the Developer Appraiser shall be instructed to agree upon a third appraiser ("Supplemental Appraiser") to appraise the Proposed Site. The District and Developers shall each pay 50% of the Supplemental Appraiser. The Supplemental Appraiser shall independently appraise each such Proposed Site and prepare a report establishing and supporting his or her opinion of the FMV of the Proposed Site. In that event, the appraised FMV of a Proposed Site shall be deemed to be the average of the FMVs specified in the two out of three appraisals of the Proposed Site having the closest opinions of value. However, if the FMV of a Proposed Site determined by the Supplemental Appraiser equals the average of the FMVs for the Proposed Site determined by the District Appraiser and the Developer Appraiser, then the appraised FMV of the Proposed Site shall be deemed to be the value determined by the Supplemental Appraiser.

(3) Each appraiser performing an appraisal pursuant to the foregoing provisions must be a member of the Appraisal Institute and must have at least ten years of experience appraising residential, commercial and school-site properties located within new development projects.

(iii) *Non-Land Value Component.* The Non-Land Value Component shall be increased or decreased, if applicable, based upon the percentage change in the Marshall & Swift Class D Wood Frame Index for the Western United States ("Index") for the twelve month period ending on the preceding October 31st. In the event the Index is no longer published, the District shall determine and apply a reasonably equivalent index.

(b) *Adjustment Process.* The annual adjustment of the Mitigation Payments shall be accomplished in the manner and in accordance with the procedure set forth in the 2018 (or later year) Fair Share Analysis and this Subsection. Each year or as soon thereafter as practicable,

the District shall cause to be prepared and submitted to Developers an analysis for the subsequent calendar year, which shall specify the adjustments made in accordance with Subdivisions (i) through (iii) of Subsection (a) of this Section ("Updated Fair Share Analysis"). The Updated Fair Share Analysis shall set forth the proposed Mitigation Payments proposed to be applicable. Within a reasonable time after a request is made by the Developers, provided, Developers have made a request within 30 days following receipt of the Updated Fair Share Analysis, the District shall meet with Developers to review and discuss the Updated Fair Share Analysis for the next succeeding calendar year or other applicable period. The District shall take into account any information provided by Developers with respect to the Updated Fair Share Analysis, either before or after completion of the Updated Fair Share Analysis, in determining adjustment of the Mitigation Payments. Any disputes between Developers and the District with respect to the Updated Fair Share Analysis not resolved to each Party's satisfaction shall be resolved in accordance with Section 2.3 of this Agreement, but only after either the District or Developers determine that no other alternative is feasible. Pending such resolution, any revised Mitigation Payments that become due may be paid under protest and, if any amount subsequently is determined to have been improperly applied by the District, the District shall return such additional amount to Developers with interest at the average rate paid by the Los Angeles County Local Agency Investment Fund accruing from the date of payment to the date of repayment by the District to Developers.

Section 1.5 Notice of Annual Adjustment. Upon completion, the District shall forward to Developers the Updated Fair Share Analysis specified in Subsection (b) of Section 1.3. The Updated Fair Share Analysis shall serve as notice from the District of any determination applicable in the next calendar year of the SGF, Land Value Component, Non-Land Value Component, Mitigation Payments, or any other determination or document that would impose a duty on Developers or change the extent of a Developer's obligations pursuant to this Agreement. Failure by the District in any particular year to forward the Updated Fair Share Analysis to Developers shall be deemed insufficient grounds for Developers to avoid the increase or decrease in the Fair Share School Impact Mitigation Payments for any subsequent calendar year or other applicable period. The District's provision of the Updated Fair Share Analysis to Developers in any particular year shall not prejudice Developers' right, as set forth in Subsection (b) of Section 1.3, to review the Updated Fair Share Analysis and seek a determination from the District, if Developers request such determination within thirty calendar days after receipt of the Updated Fair Share Analysis.

Section 1.6 Certificates of Compliance. Each Developer may obtain written certification from the District required as a condition to issuance of any building permit(s) by the City or other governmental entity with authority to issue building permit(s) for construction to occur on the Property (each a "Certificate of Compliance") as follows: (i) the District shall issue Certificates of Compliance for SFDU, DCU and/or MFDU as requested by Developer upon receipt from Developer of payment of the then-applicable Statutory School Fees for such DU ("Preliminary Mitigation Deposit"); and (ii) the District shall issue Certificates of Compliance for any Age-Restricted DU and/or Commercial Development as requested by Developer upon receipt from the Developer of payment of the then-applicable Commercial/Industrial Statutory School Fees. The District shall return to the Developer the Preliminary Mitigation Deposits which were paid by the Developer at the time of the issuance of the Certificate of Compliance as set forth in Section 1.7.

Section 1.7 Entire Extent of Mitigation Obligation and Return of Preliminary Mitigation Deposits.

(a) Payment to the District of the Preliminary Mitigation Deposit at the time of issuance of each Certificate of Compliance and the financing of the Mitigation Payments by the sale of bonds through the CFD in an amount sufficient to fund the Total Mitigation Amount as set forth pursuant to this Agreement shall constitute the entire extent of Developers' obligation to provide the funds necessary for the Hart Facilities and, as between the District and the Developers, shall be deemed to fully mitigate the impacts of the Project on the School Facilities and Hart Facilities.

(b) As consideration for entering into this Agreement, and notwithstanding anything to the contrary, the District and Developers have agreed to finance the Mitigation Payments pursuant to this Agreement through issuance of bonds by the CFD pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California ("Act"). Concurrent with the approval of this Agreement, the District is seeking approval of a "Joint Community Facilities Agreement" with Saugus and Developers in order to provide for such financing.

(c) The first series of bonds of the CFD shall not be issued prior to LACOE's final decision with respect to the Territory Transfer. Upon the sale of bonds by the CFD and deposit of bond proceeds into the District facilities account of the CFD, the District and Developers shall calculate the amount of Preliminary Mitigation Deposits to be returned to the Developers, if any, as follows:

(i) The Mitigation Payment amount due to the District shall be calculated. Said amount shall be the applicable Mitigation Payment amount in effect thirty (30) days prior to the date of issuance and sale of the CFD bonds multiplied by the total SFDUs, DCUs and/or MFDUs that have been or are to be constructed on the Property and that are subject to special taxes of the CFD, regardless of the actual number of such DUs constructed at such time ("Total Mitigation Amount").

(ii) The amount of bond proceeds from the CFD to be deposited into the District facilities account of the CFD shall be determined.

(iii) In the event the bond proceeds deposited in the District facilities account of the CFD are equal to the Total Mitigation Amount, all previously paid Preliminary Mitigation Deposits shall be returned to the Developer that paid such Preliminary Mitigation Deposits and no further Preliminary Mitigation Deposits shall be paid for any further Certificates of Compliance for additional DUs on the Property.

(iv) In the event the bond proceeds deposited in the District facilities account of the CFD are not sufficient to provide the Total Mitigation Amount to the District, the District shall retain that portion of the Preliminary Mitigation Deposits

as are necessary to combine with the bond proceeds received from the CFD in order to receive the Total Mitigation Amount. Any excess of the Preliminary Mitigation Deposits shall be returned to the Developer that paid such amount and no further Preliminary Mitigation Deposits shall be paid for any further Certificates of Compliance for additional DUs on the Property.

(v) In the event the bond proceeds deposited in the District facilities account of the CFD plus the Preliminary Mitigation Deposits previously paid are not sufficient to provide the Total Mitigation Amount to the District, the Developers shall pay to the District the remaining amount necessary to equal the Total Mitigation Amount at the time the next Certificate of Compliance is requested for a DU on the Property. Thereafter, once the District has received the Total Mitigation Amount, no further Preliminary Mitigation Deposits shall be paid for any further Certificates of Compliance for additional DUs on the Property.

Section 1.8 No Further Exactions. Except to the extent provided herein, and until such time as all DUs approved and intended to be constructed on the Property have been constructed and sold, if the Developers are not in breach of their obligations pursuant to this Agreement, the District shall not, under any circumstances:

(i) Exercise any power or authority under current or future law to levy or impose an exaction of land, goods, money, or services, whether denominated a fee, charge, dedication, or otherwise, against any development of the Property;

(ii) Require, request, or cooperate with the City or any other governmental entity to exercise any power or authority to levy or impose an exaction of land, goods, money, or services, whether denominated a fee, charge, dedication, or otherwise, for the District's benefit;

(iii) Oppose the development of any portion of the Property or any governmental approval, whether legislative or administrative, or any change in any governmental approval on the basis of inadequate School Facilities.

Section 1.9 Transfer and Encumbrance. In its sole discretion, each Developer may sell or encumber its portion of the Property or a portion thereof, in an improved or unimproved condition, through any means including, but not limited to, deed, mortgage, deed of trust, or other security device. Except as provided in Section 1.10, no such sale, transfer, or encumbrance of any portion of the Property shall affect a Developer's obligations under this Agreement.

Section 1.10 Assignment. Each Developer may sell portions of the Property to one or more builders that will construct and sell DUs to individual homebuyers (each a "Merchant Builder"). Each Developer shall at all times have the right to assign any right or delegate any obligation set forth in this Article to any such Merchant Builder, and the assignee shall automatically assume its proportionate share of the obligations set forth in the provisions of this Agreement. Any such assignment and/or delegation must be in writing and, as between the Parties and for purposes of this Agreement, shall have no force or effect unless and until the Developer provides a copy of the written assignment and acceptance and/or delegation to the District. Subject to the foregoing, any right of a Developer set forth in this Article may be exercised by an

assignee of that right to the same extent that the Developer could have exercised that right. No such assignment shall relieve the Developer of any of its obligations under this Article without the District's written consent, which the District shall not unreasonably withhold.

Section 1.11 Indemnification Re Sales to Merchant Builders. Each Developer shall indemnify, defend and hold-harmless the District and its officers, employees and agents against and from any claims, demands, actions or other proceedings, judgments, damages, liabilities, costs and expenses arising from or related to: (i) any claim, demand, action or other proceeding arising out of the Developer's sale of any portion of the Property to a Merchant Builder or other party; or (ii) any claim, demand, action or other proceeding by a Merchant Builder or other purchaser of any portion of the Property arising out of either the agreement for such purchase or any obligation assumed by the Developer pursuant to this Agreement. Notwithstanding any assignment pursuant to Section 1.10, with respect to any matter within the scope of this Section 1.11, the provisions of this Section 1.11 and Section 1.12 below shall survive any assignment and/or termination of this Agreement and shall remain applicable to the Developers.

Section 1.12 Defense of District, Payment of Judgments. Any defense of the District conducted pursuant to any of the indemnity provisions of this Agreement shall be conducted by qualified and appropriately-experienced legal counsel reasonably acceptable to the District, but selected and retained by the Developers at no cost to the District. Without jeopardizing or compromising any of its rights herein, the District may settle any demand, action or other legal proceeding on reasonable terms determined by the Governing Board of the District ("Governing Board") to be in the best interests of the District. The Developers shall pay all judgments, settlements, costs, expenses, and other amounts due to the District pursuant to this Agreement in accordance with the terms of such judgments and/or settlements or, otherwise, within thirty days of receipt of the District's written invoice for any such amount. Any amounts not so paid when due shall accrue interest at the legal rate.

Section 1.13 Owners of Completed Property. Notwithstanding anything herein that may be construed to the contrary, this Agreement shall not be binding upon or inure to the benefit of any individual owner or owners of a completed DU, or any completed C/I Development, constructed and sold within the Property (each an "Owner of Completed Property"). In no event may any Owner of Completed Property, in that capacity, be deemed or construed as a successor or assignee of the Developers with respect to this Agreement.

Section 1.14 State Funding. In the event that District receives funds from the State of California to house existing and/or projected students generated from existing and/or future residential units constructed on the Property, District may use such proceeds consistent with applicable law and neither Developer, nor their successors or assigns, shall be entitled to any refund as a result of the receipt by District of such State Funding.

ARTICLE II

INTERPRETATIONS, DEFAULTS AND DISPUTES

Section 2.1 Governing Law and Venue. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State. Any litigation,

arbitration or other proceeding arising out of this Agreement shall be initiated and conducted only in the County.

Section 2.2 Changes In Circumstances or Law. No development or change in the development of the Property, or any governmental approval or change in any governmental approval relating to any portion of the Property, shall constitute a sufficient basis for any modification or termination of this Agreement. With the exception of potential changes in Statutory School Fees, the provisions of this Agreement shall not be affected by: (i) any existing applicable law; (ii) any subsequent legislation enacted by the State acting through the legislative or initiative process; or (iii) any subsequent judicial decisions related to the matters provided for in this Agreement unless this Agreement is before a court of competent jurisdiction and the court's ruling expressly applies to this Agreement.

Section 2.3 Dispute Resolution. The Parties desire to resolve as quickly as possible any disputes as to the meaning of any portion of, the validity of any determination or calculation made pursuant to, or the respective rights or obligations of the Parties pursuant to, this Agreement. Therefore, in the event of any such dispute, upon written notice from one Party to the other, the Parties shall undertake good-faith informal attempts to resolve the dispute, which, at a minimum, shall include at least one face-to-face meeting of the Parties' respective representatives. If, as of thirty days after commencement of such attempts at informal dispute resolution or such longer period as agreed by the Parties, such attempts have been unsuccessful, the dispute shall be resolved by binding arbitration through JAMS conducted by a retired judge of the Superior Court for the County. The Parties shall agree on an arbitrator within thirty days of the receipt of a request for arbitration, but if they are unable to so agree, the Party that initially provided notice of arbitration shall request that the presiding judge of the Superior Court designate an arbitrator. Each Party shall pay one-half of the cost of the arbitration and shall be responsible for its own legal costs, including, without limitation, its own attorneys' fees and expenses. The arbitrator shall establish procedures and rules to be followed in conducting the arbitration, which, at a minimum, shall specify that the arbitrator shall adhere to and apply all substantive statutory, regulatory and case law that is applicable to the dispute.

Section 2.4 Force Majeure. A Party shall not be deemed to be in default or liable for any failure to perform its obligations pursuant to this Agreement if such failure to perform directly results from any act of God, war, riot or other civil unrest, governmental action making it illegal or impossible to perform, or other cause beyond such Party's reasonable control. For purposes of this Section, an "act of God" shall mean any act or event resulting from natural cause or disaster that is in no sense attributable to human cause, including, without limitation, earthquake, fire, and flood. The other Party shall allow the non-performing Party a reasonable extension of time to perform its obligations provided that the non-performing Party at all times makes all reasonable efforts to prevent and/or minimize any delay and to proceed with performance of its obligations, further provided that no such extension of time shall exceed the number of days of Force Majeure delay.

Section 2.5 Interpretation Guides. This Agreement shall be deemed to have been prepared by the Parties jointly, and no ambiguity shall be resolved against either Party on the premise that it was, or its attorneys were, responsible for drafting this Agreement or any provision herein. The captions and headings set forth herein are for convenience only and in no way establish, define or limit the scope or intent of any Article, Section, Subsection, or other provision

of this Agreement. Any reference herein to an Article, Section, Subsection, or Subdivision, unless specified otherwise, shall be a reference to an Article, Section, Subsection or Subdivision of this Agreement. When necessary or useful in the context of this Agreement, use of the singular shall be deemed to include the plural, and use of the plural shall be deemed to include the singular.

Section 2.6 Entire Agreement. This Agreement contains the entire agreement and understanding concerning the funding of School Facilities and Hart Facilities necessary for the Property and Project Students, and this Agreement supersedes and replaces all prior negotiations and proposed agreements, written or oral, relating to such matter except as they are included in this Agreement. Each Party acknowledges that: (i) neither the other Party nor its agents or attorneys have made any promise, representation, or warranty whatsoever, express or implied, not contained herein to induce the execution of this Agreement; and (ii) this Agreement has not been executed in reliance upon any promise, representation, or warranty not contained herein.

Section 2.7 Severability. If any Article, Section, Subsection, or other provision of this Agreement is held by a court of competent jurisdiction, or is determined through duly-authorized dispute resolution procedures, to be illegal, null or void, the remaining provisions of this Agreement shall not be affected thereby. In such event, this Agreement shall continue in effect and shall be interpreted to the full extent possible considering the illegal, null or void language to effect the intent of the Parties.

Section 2.8 Independent Investigation and Representation. Each Party hereby acknowledges and agrees that it has had the opportunity to conduct an independent investigation of the facts of and related to the matters that are the subject of this Agreement. Each Party further acknowledges and agrees that it has been represented by independent legal counsel of its own choice throughout all negotiations preceding the execution of this Agreement, and that such Party has executed this Agreement after receiving the advice of its own legal counsel.

Section 2.9 Waiver. The failure of either Party at any time to require a performance by the other Party of any provision of this Agreement shall not affect in any way the full right to require performance at any time thereafter of the same or any other requirement set forth in this Agreement. The waiver of any breach of any provision of this Agreement by a Party shall not be deemed to be a waiver of any preceding or subsequent breach of the same or any other provision of this Agreement.

Section 2.10 Not for Benefit of Third Parties. Except for indemnity provisions herein applicable in part to a third party, this Agreement and every provision hereof is for the exclusive benefit of the Parties and not for the benefit of any third party.

ARTICLE III MISCELLANEOUS PROVISIONS

Section 3.1 District Educational and School-Facilities Policies. Except as may be set forth herein, this Agreement shall not in any manner be asserted by Developers to interfere in any way with, or to limit, the Governing Board of the District in determining what educational and school-facilities policies will best further the interests of the District's students or the construction or operation of its educational facilities.

Section 3.2 Mutual Cooperation. Unless this Agreement provides to the contrary, a Party shall, within ten calendar days of receipt of a written request from the other Party, perform any acts and prepare, sign, deliver, file, and record any documents reasonably required to obtain the goals, and to satisfy the conditions, set forth in this Agreement. This includes, but is not limited to, providing the requesting Party with a written statement certifying: (i) that this Agreement is unmodified and in full force and effect, or, if there has been any modification, that this Agreement, as modified, is in full force and effect, and stating the date and nature of the modification; and (ii) there are no current uncured defaults under this Agreement, or, if there are any, the dates and natures of the defaults. In addition, upon a Developer's request, the District shall provide to the City, or other governmental entity designated by the Developer, confirmation that the Developer has provided for mitigation of impacts on the District's School Facilities arising from development of the Property, through entry into, and continued performance of this Agreement.

Section 3.3 Time Limits. Any time limit, time period, date by which any act or event is to have occurred, or date by which any condition is to have been satisfied, that is set forth in this Agreement may be extended by written agreement of the Parties. All references in this Agreement to the performance of an act or occurrence of an event, or satisfaction of any condition, within a specific time limit or period, or by a specific date, if applicable because of an extension pursuant to this Section, shall be interpreted as allowing until the end of the extended period, or until the extended date, for the performance of such act, the occurrence of such event, or satisfaction of such condition.

Section 3.4 Survival of Indemnity Provisions. With respect to any and all acts or incidents occurring prior to any assignment or the termination of this Agreement, all requirements set forth herein for a Party to indemnify, defend and hold-harmless the other Party or any third parties shall be deemed and construed to survive assignment and termination of this Agreement.

Section 3.5 Binding Effect. This Agreement shall be binding on the Parties and their respective duly-authorized successors, assigns and other representatives.

Section 3.6 Incorporation of Recitals and Exhibits. The Recitals set forth herein and the Exhibits attached hereto are hereby incorporated as fully operative and effective provisions of this Agreement.

Section 3.7 Modifications. This Agreement may not be modified except by a writing duly approved, signed and delivered by all Parties.

Section 3.8 Notices. All notices and demands required pursuant to this Agreement shall be addressed as indicated in this Section and delivered: (i) by personal delivery (signature on delivery receipt requested); (ii) registered or certified U.S. Mail (postage prepaid and return receipt requested); (iii) UPS, Federal Express or other reliable private express delivery service (signature on delivery receipt requested); or (iv) by facsimile transmission (with confirmation printed by sender's machine and retained in sender's records, and original of notice or demand deposited into the U.S. Mail within twenty-four hours, first-class postage prepaid). Any such notices or demands shall be deemed given or served only upon receipt by the addressee. Any Party to this Agreement may change its below-specified name, address, or person to whom attention should be directed, by

giving notice in accordance with this Section. A copy of any notice or demand sent to a Party shall be sent also to that Party's legal counsel. Notices and demands shall, as applicable, be addressed as follows:

To District:

William S. Hart Union High School District
Attn: Ralph Peschek
Chief Financial Officer
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Email: rpeschek@hartdistrict.org

To District Legal Counsel:

Atkinson, Andelson, Loya, Ruud & Romo
Attention: Wendy H. Wiles
20 Pacifica, Suite 1100
Irvine, CA 92618
Email: Wendy.Wiles@aalrr.com

To the Developer:

Pardee Homes
Attention: David A. Little
177 East Colorado Blvd., Suite 500
Pasadena, CA 91105
Email: dave.little@pardeehomes.com

To Developer Legal Counsel:

O'Neil LLP
Attention: John Yeager
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612
Email: jyeager@oneil-llp.com

To the Developer:

TRI Pointe Homes, Inc.
Attention: Keith Frankel
5 Peters Canyon Road, Suite 100
Irvine, CA 92606
Email: keith.frankel@tripointehomes.com

To the Developer's Legal Counsel:

O'Neil LLP
Attention: John Yeager
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612
Email: jyeager@oneil-llp.com

Section 3.9 Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Signature pages may be detached from counterpart originals and combined to physically form one or more original copies of this Agreement containing signatures of both Parties.

Section 3.10 Due Authority of Signatories. Each person signing this Agreement represents and warrants that he or she is legally-entitled to enter into this Agreement, or has been authorized by appropriate action of the Party he or she represents to execute and thereby bind such Party to this Agreement.

(Remainder of page left intentionally blank)

In Witness Whereof, the undersigned execute this Agreement on behalf of the Parties.

William S. Hart Union High School District

Pardee Homes, a California corporation

By: _____
Ralph Peschek
Chief Financial Officer

By: _____
David A. Little, President

Approved as to Form:
By: Atkinson, Andelson, Loya, Ruud & Romo,
Attorneys for the William S. Hart Union
High School District

***TRI Pointe Homes, Inc., a Delaware
corporation***

By: _____
Wendy H. Wiles

By: _____
Print Name: _____
Print Title: _____

Approved as to Form:

By: O'Neil LLP, Attorneys for Pardee Homes
and TRI Pointe Homes, Inc.

By: _____
John P. Yeager, Legal Counsel

EXHIBIT "A"

[Legal Description]

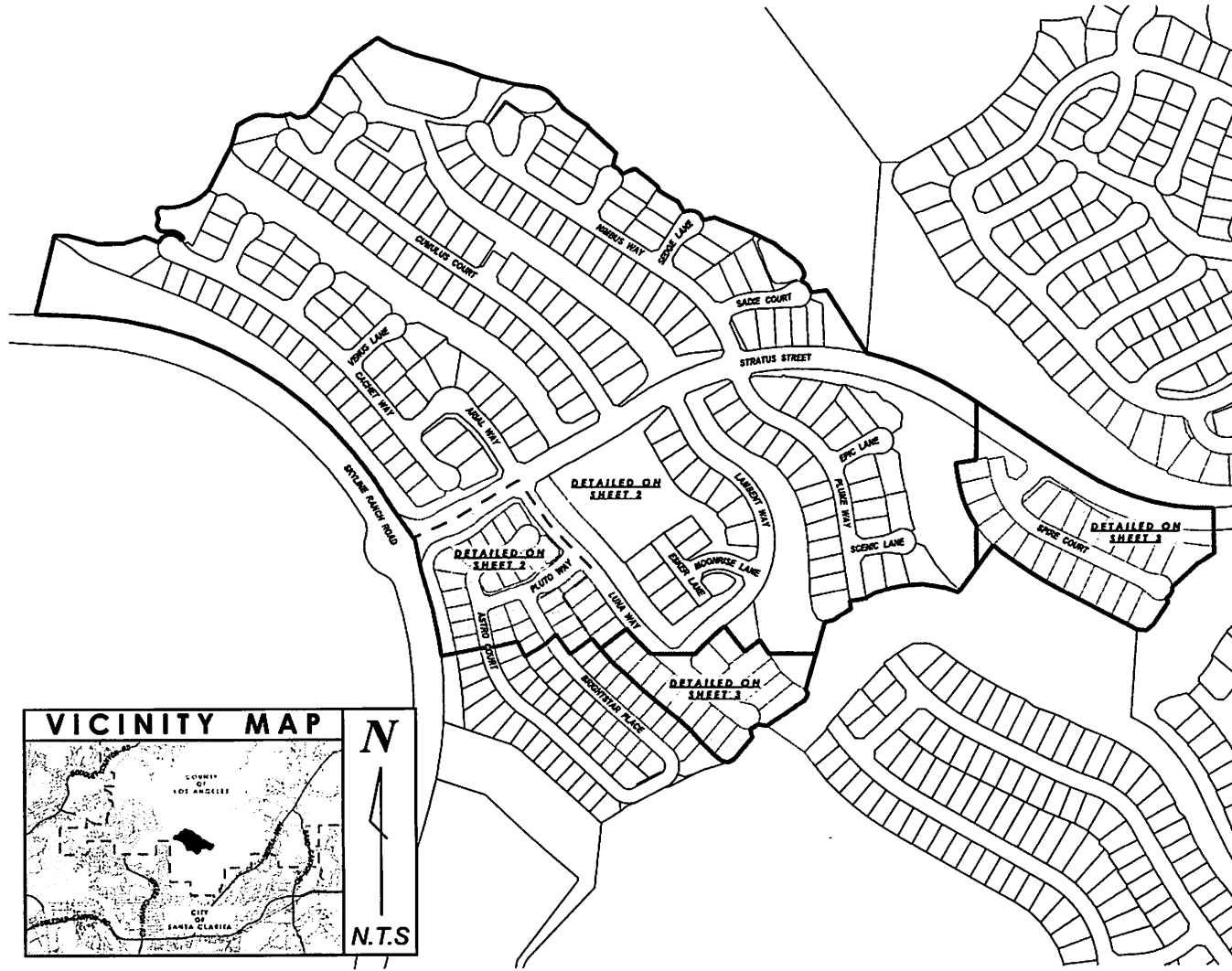
EXHIBIT "B"

***Boundary Map of Community Facilities District No. 2019-1 of
Saugus Union School District***

[Attached]

PROPOSED BOUNDARY OF SAUGUS UNION SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2019-1

COUNTY OF LOS ANGELES
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE SAUGUS UNION SCHOOL DISTRICT THIS
DAY OF _____ 2019.

CLERK OF THE GOVERNING BOARD
SAUGUS UNION SCHOOL DISTRICT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING COMMUNITY
FACILITIES DISTRICT 2019-1, STATE OF CALIFORNIA, WAS APPROVED BY
THE GOVERNING BOARD OF THE SAUGUS UNION SCHOOL DISTRICT A
REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF
_____, 2019, BY ITS RESOLUTION NO. _____

CLERK OF THE GOVERNING BOARD
SAUGUS UNION SCHOOL DISTRICT

FILED THIS _____ DAY OF _____, 2019, AT THE HOUR OF
____ O'CLOCK _____ M. IN THE BOOK _____ OF MAPS OF
ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE _____
AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE
COUNTY RECORDER IN THE COUNTY OF LOS ANGELES, STATE OF
CALIFORNIA.

COUNTY RECORDER
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

REFERENCE IS MADE ON SHEET 4 OF THIS DOCUMENT TO THE FOLLOWING
RECORDED DOCUMENTS:

CONDOMINIUM PLAN FOR LOT 235 OF TRACT NO. 60922-01 SOLA
(PHASE 1) RECORDED ON FEBRUARY 22, 2019 AS INSTRUMENT NO.
20190158836

CONDOMINIUM PLAN FOR LOT 235 OF TRACT NO. 60922-01 SOLA
(PHASE 4) RECORDED ON FEBRUARY 22, 2019 AS INSTRUMENT NO.
20190158839

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS
DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE LOS
ANGELES COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE LOS ANGELES COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL THE
DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OF
PARCELS.

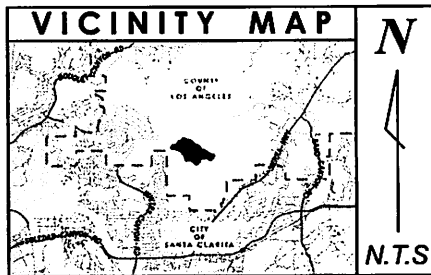
Legend

- ☒ CURRENT
- ☐ CONTINGENT INCLUDED PARCELS
- ☐ CONTINGENT EXCLUDED PARCELS

KOPPEL GRUBER
PUBLIC FINANCE

334 Via Vera Cruz
Suite 350
San Marcos, California 92078
Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED: FEBRUARY 2019



SHEET 2 of 4

VICINITY MAP

N

N.T.S.

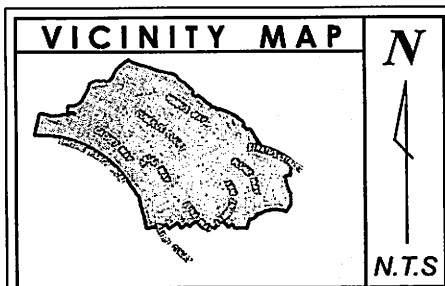
Legend

- [Solid Line] PROPOSED BOUNDARY:
INCLUDED PARCELS
- [Dashed Line] PROPOSED BOUNDARY:
CONTINGENT
EXCLUDED PARCELS
- ① MAP REFERENCE
NUMBER

KOPPEL GRUBER
PUBLIC FINANCE

334 Via Vera Cruz
Suite 256
San Marcos, California 92078
Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED: FEBRUARY 2019



Legend

- PROPOSED BOUNDARY:
INCLUDED PARCELS**

**PROPOSED BOUNDARY:
CONTINGENT
EXCLUDED PARCELS**

**MAP REFERENCE
NUMBER**

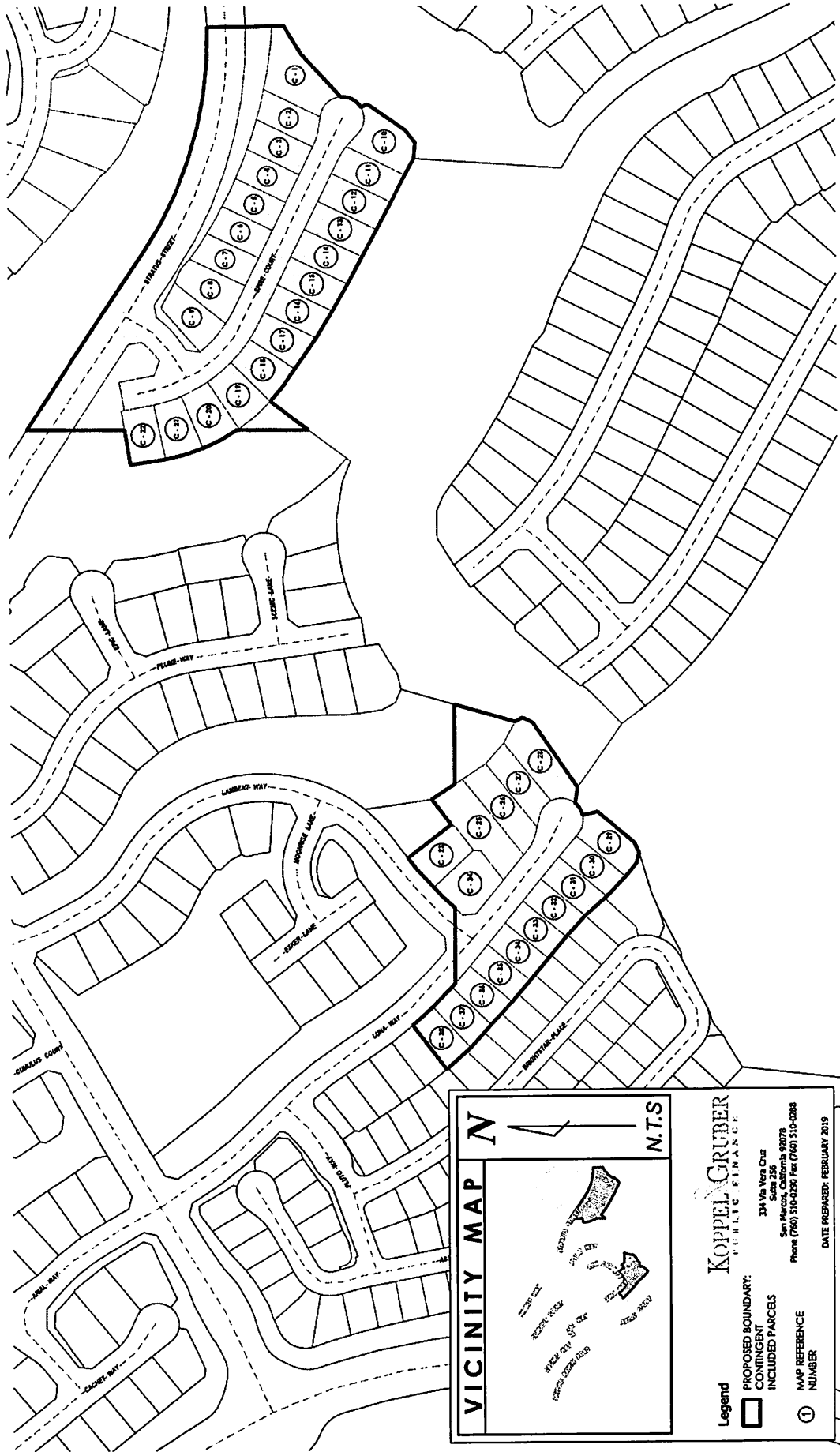
**334 Via Vera Cruz
Suite 255
San Marcos, California 92078
Phone (760) 510-0290 Fax (760) 510-0285**

**KOPPEL GRUBER
PUBLIC FINANCE**

334 Via Vera Cruz
Suite 256
San Marcos, California 92078
Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED: FEBRUARY 2019

PROPOSED BOUNDARY OF
SAUGUS UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA



VICINITY MAP

N

N.T.S.

KOPPEL GRUBER
PUBLIC FINANCE

334 Via Vista Court
San Marcos, California 92078
Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED: FEBRUARY 2019

Legend

- ☐ PROPOSED BOUNDARY:
- ☐ CONTINGENT
- ☐ INCLUDED PARCELS
- ① MAP REFERENCE NUMBER

**PROPOSED BOUNDARY OF
SAUGUS UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2019-1**

COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

SHEET 4 of 4

PROPOSED BOUNDARY OF CFD NO. 2019-1: INCLUDED PARCELS

MAP REF. NO.	ASSESSOR'S IDENTIFICATION NO.	MAP REF. NO.	ASSESSOR'S IDENTIFICATION NO.	MAP REF. NO.	ASSESSOR'S IDENTIFICATION NO.	MAP REF. NO.	ASSESSOR'S IDENTIFICATION NO.
1	2802-042-001	51	2802-042-021	101	2802-044-001	151	2802-045-030
2	2802-042-002	52	2802-042-022	102	2802-044-002	152	2802-045-031
3	2802-042-003	53	2802-042-023	103	2802-044-003	153	2802-045-032
4	2802-042-004	54	2802-043-001	104	2802-044-004	154	2802-045-033
5	2802-042-005	55	2802-043-002	105	2802-044-005	155	2802-045-034
6	2802-042-006	56	2802-043-003	106	2802-044-006	156	2802-045-035
7	2802-042-007	57	2802-043-004	107	2802-044-007	157	2802-045-036
8	2802-042-008	58	2802-043-005	108	2802-044-008	158	2802-045-037
9	2802-042-009	59	2802-043-006	109	2802-044-009	159	2802-045-038
10	2802-042-010	60	2802-043-007	110	2802-044-010	160	2802-045-039
11	2802-042-011	61	2802-043-008	111	2802-044-011	161	2802-045-040
12	2802-042-012	62	2802-043-009	112	2802-044-012	162	2802-045-041
13	2802-042-013	63	2802-043-010	113	2802-044-013	163	2802-046-001
14	2802-042-014	64	2802-043-011	114	2802-044-014	164	2802-046-002
15	2802-042-015	65	2802-043-012	115	2802-044-015	165	2802-046-003
16	2802-042-016	66	2802-043-013	116	2802-044-016	166	2802-046-004
17	2802-042-017	67	2802-043-014	117	2802-044-017	167	2802-046-005
18	2802-042-018	68	2802-043-015	118	2802-044-018	168	2802-046-006
19	2802-042-019	69	2802-043-016	119	2802-044-019	169	2802-046-007
20	2802-042-020	70	2802-043-017	120	2802-044-020	170	2802-046-008
21	2802-042-021	71	2802-043-018	121	2802-044-021	171	2802-046-009
22	2802-042-022	72	2802-043-019	122	2802-044-022	172	2802-046-010
23	2802-042-023	73	2802-043-020	123	2802-044-023	173	2802-046-011
24	2802-042-024	74	2802-043-021	124	2802-044-024	174	2802-046-012
25	2802-042-025	75	2802-043-022	125	2802-044-025	175	2802-046-013
26	2802-042-026	76	2802-043-023	126	2802-044-026	176	2802-046-014
27	2802-042-027	77	2802-043-024	127	2802-044-027	177	2802-046-015
28	2802-042-028	78	2802-043-025	128	2802-044-028	178	2802-046-016
29	2802-042-029	79	2802-043-026	129	2802-044-029	179	2802-046-017
30	2802-042-030	80	2802-043-027	130	2802-044-030	180	2802-046-018
31	2802-042-031	81	2802-043-028	131	2802-044-031	181	2802-046-019
32	2802-042-032	82	2802-043-029	132	2802-044-032	182	2802-046-020
33	2802-042-033	83	2802-043-030	133	2802-044-033	183	2802-046-021
34	2802-042-034	84	2802-043-031	134	2802-044-034	184	2802-046-022
35	2802-042-035	85	2802-043-032	135	2802-044-035	185	2802-046-023
36	2802-042-036	86	2802-043-033	136	2802-044-036	186	2802-046-024
37	2802-042-037	87	2802-043-034	137	2802-044-037	187	2802-046-025
38	2802-042-038	88	2802-043-035	138	2802-044-038	188	2802-046-026
39	2802-042-039	89	2802-043-036	139	2802-044-039	189	2802-046-027
40	2802-042-040	90	2802-043-037	140	2802-044-040	190	2802-046-028
41	2802-042-041	91	2802-043-038	141	2802-044-041	191	2802-046-029
42	2802-042-042	92	2802-043-039	142	2802-044-042	192	2802-047-001
43	2802-042-043	93	2802-043-040	143	2802-044-043	193	2802-047-018
44	2802-042-044	94	2802-043-041	144	2802-044-044	194	2802-047-017
45	2802-042-045	95	2802-043-042	145	2802-044-045	195	2802-047-020
46	2802-042-046	96	2802-043-043	146	2802-044-046	196	2802-047-021
47	2802-042-047	97	2802-043-044	147	2802-045-024		
48	2802-042-048	98	2802-043-045	148	2802-045-027		
49	2802-042-049	99	2802-043-046	149	2802-045-028		
50	2802-042-050	100	2802-043-047	150	2802-045-029		

**PROPOSED
BOUNDARY OF CFD
NO. 2019-1:
CONTINGENT
INCLUDED PARCELS**

MAP REF. NO.	ASSESSOR'S IDENTIFICATION NO.
C-1	2802-045-031
C-2	2802-045-032 & 2802-045-034
C-3	2802-045-033 & 2802-045-035
C-4	2802-045-036
C-5	2802-045-037
C-6	2802-045-038
C-7	2802-045-039
C-8	2802-045-040
C-9	2802-045-041
C-10	2802-045-012 & 2802-045-013
C-11	2802-046-004
C-12	2802-046-005
C-13	2802-046-006
C-14	2802-046-007
C-15	2802-046-008
C-16	2802-046-009
C-17	2802-046-010
C-18	2802-046-011
C-19	2802-046-012
C-20	2802-046-013
C-21	2802-046-014
C-22	2802-046-015
C-23	2802-046-016
C-24	2802-046-017
C-25	2802-046-018
C-26	2802-046-019
C-27	2802-046-020
C-28	2802-046-021
C-29	2802-046-022
C-30	2802-046-023
C-31	2802-046-024
C-32	2802-046-025
C-33	2802-046-026
C-34	2802-046-027
C-35	2802-046-028
C-36	2802-046-029
C-37	2802-047-001
C-38	2802-047-018

*CFD NO. 2019-1 IS AUTHORIZED TO INCLUDE THE CONTINGENT PARCELS UPON THE PENDING TERRITORY TRANSFER TAKING EFFECT

**PROPOSED
BOUNDARY OF CFD
NO. 2019-1:
CONTINGENT
EXCLUDED PARCELS**

MAP REF. NO.	TRACT 60922-01 LOT NO.
T-1	01
T-2	02
T-3	03
T-4	04
T-5	05
T-6	06
T-7	07
T-8	08
T-9	09
T-10	10
T-11	11
T-12	12
T-13	13
T-14	14
T-15	15
T-16	16
T-17	42
T-18	43
T-19	44
T-20	45
T-21	46
T-22	47
T-23	48
T-24	72
T-25	73

*CFD NO. 2019-1 IS AUTHORIZED TO EXCLUDE THE CONTINGENT PARCELS UPON THE PENDING TERRITORY TRANSFER TAKING EFFECT

KOPPEL & GRUBER
PUBLIC FINANCE

334 Via Vera Cruz
Suite 256
San Marcos, California 92078
Phone (760) 510-0290 Fax (760) 510-0288

DATE PREPARED: FEBRUARY 2019

EXHIBIT B

(Exhibit to begin on the next page.)

JOINT COMMUNITY FACILITIES AGREEMENT

by and among

SAUGUS UNION SCHOOL DISTRICT,

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,

**PARDEE HOMES,
A CALIFORNIA CORPORATION,**

and

**TRI POINTE HOMES, INC.,
A DELAWARE CORPORATION**

Dated and Effective: May 7, 2019

JOINT COMMUNITY FACILITIES AGREEMENT

This **JOINT COMMUNITY FACILITIES AGREEMENT** ("JCFA") is made effective as of May 7, 2019 ("Effective Date") by and among: (i) the SAUGUS UNION SCHOOL DISTRICT ("Saugus District"), a public school district organized and existing pursuant to the laws of the State of California; (ii) the WILLIAM S. HART UNION HIGH SCHOOL DISTRICT ("Hart District"), a public school district organized and existing under the laws of the State of California; (iii) PARDEE HOMES ("Pardee"), a California corporation designated as entity number C0538474 by the California Secretary of State; and (iv) TRI POINTE HOMES, INC. ("TRI Pointe"), a Delaware Corporation designated as entity number C3531086 by the California Secretary of State. Pardee and TRI Pointe shall be referred to herein, collectively, as the "Developer." The Saugus District, the Hart District, and the Developer may be referred to herein individually as a "Party" and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, the Developer is the master developer of certain real property located within the boundaries of the Saugus District and identified as a portion of Tract Map 60922 in the County of Los Angeles, California ("Property");

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act") and a petition by the Developer, the Governing Board of the Saugus Union School District ("Saugus Board") has initiated the necessary proceedings and actions to establish Community Facilities District No. 2019-1 of the Saugus Union School District ("CFD No. 2019-1") over and for portions of the Property;

WHEREAS, the Parties intend that, pursuant to the Mello-Roos Act, the qualified electors of CFD No. 2019-1 will authorize the levy by CFD No. 2019-1 of special taxes on the land within CFD No. 2019-1 ("Special Taxes") and the issuance by CFD No. 2019-1 of bonds secured by such Special Taxes ("Bonds"), the proceeds of which are to be used to finance certain public facilities;

WHEREAS, the facilities proposed to be financed by CFD No. 2019-1 include school facilities to be owned and operated by the Saugus District ("Saugus Facilities"), facilities to be owned and operated by the Santa Clarita Valley Sanitation District of Los Angeles County ("Sanitation Facilities") and facilities to be owned and operated by the Hart District ("Hart Facilities");

WHEREAS, Subsection (a) of Section 53316.2 of the Mello-Roos Act provides that a community facilities district ("CFD") may finance facilities to be owned or operated by a public agency other than the agency that created the CFD only pursuant to an applicable joint community facilities agreement or joint exercise of powers agreement adopted pursuant to that Section;

WHEREAS, Subsection (b) of Section 53316.2 of the Mello-Roos Act provides that, at any time prior to the adoption of the resolution of formation creating a CFD or resolution authorizing issuance of by the CFD of bonds, the legislative bodies of two or more local agencies

may enter into a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint community facilities agreement would be beneficial to the residents of that entity;

WHEREAS, the Saugus Board and the Governing Board of the Hart District have each adopted a resolution in conformance with Section 53316.2 of the Mello-Roos Act;

WHEREAS, Subsection (e) of Section 53316.2 of the Mello-Roos Act provides that, notwithstanding any other provision of the Mello-Roos Act, no local agency which is party to a joint community facilities agreement shall have primary responsibility for formation of a CFD unless that agency is one or more of certain specified types of agencies, which includes an agency that is reasonably expected to have responsibility for providing facilities or services to be financed by a larger share of the proceeds of special taxes and bonds of the CFD than any other local agency;

WHEREAS, the Parties reasonably anticipate that, among the Saugus District, the Santa Clarita Valley Sanitation District of Los Angeles County and the Hart District, and for purposes of Subsection (e) of Section 53316.2 of the Mello-Roos Act, the Saugus District will receive the largest share of the proceeds of the Special Taxes and the Bonds for purposes of financing School Facilities;

WHEREAS, development of the Property will require that the developer pay to the Hart District certain mitigation payments pursuant to a School Facilities Funding and Mitigation Agreement (the "Mitigation Agreement") that the Hart District will use to pay costs associated with the acquisition, construction and/or installation of Hart Facilities as set forth in the Mitigation Agreement and this JCFA ("Mitigation Payments"); and

WHEREAS, the Parties desire to enter into this JCFA in accordance with Sections 53316.2, 53316.4 and 53316.6 of the Mello-Roos Act, to provide for the financing of the Hart Facilities through the issuance of Bonds by CFD No. 2019-1;

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

Section 1. Establishment and Administration of CFD No. 2019-1. As noted above, the Saugus District has initiated proceedings and actions to form CFD No. 2019-1 and to authorize the Special Taxes and Bonds of CFD No. 2019-1. Nothing contained herein shall be deemed to limit the discretion of the Saugus District in that regard, and the Saugus District shall have no liability to the Hart District if CFD No. 2019-1 is not formed or if the Special Taxes and Bonds are not authorized by the qualified electors within CFD No. 2019-1. The Saugus District shall have the power and duty to provide for the administration of CFD No. 2019-1 once it has been formed, including, without limitation, employing and compensating all consultants and providing for the various other administrative matters associated with CFD No. 2019-1. Except as expressly provided in this JCFA, in no event shall the Hart District, pursuant to this JCFA or otherwise, be considered a participant in the proceedings relating to, or have any liability or responsibility for, the formation of CFD No. 2019-1, the authorization of the Special Taxes, and/or the authorization or issuance of the Bonds.

Section 2. Issuance of Bonds. The Parties anticipate that CFD No. 2019-1 will issue a single series of Bonds to finance some or all of the acquisition, construction, installation and/or other authorized costs associated with the Saugus Facilities, the Sanitation Facilities, and the Hart Facilities. The Saugus Board, acting as the legislative body of CFD No. 2019-1, shall, in its sole discretion, determine whether, when, under what conditions and to what extent Bonds shall be issued to finance such costs. In no event shall the Hart District have any right to compel the Saugus District, the Saugus Board, or CFD No. 2019-1 to: (i) issue Bonds to finance the acquisition, construction and/or installation of the Hart Facilities; or (ii) disburse any proceeds of Bonds ("Bond Proceeds") or proceeds of any Special Taxes to pay for the acquisition, construction and/or installation of any Hart Facilities.

Section 3. Hart Facilities.

(a) The Hart Facilities, including, without limitation, any real or tangible property with a useful life of five years or longer needed by the Hart District as more further described in Exhibit A attached hereto.

(b) The Parties anticipate that CFD No. 2019-1 will make Bond Proceeds available to finance the costs of Hart Facilities, but in no event shall proceeds of Special Taxes be used to finance the acquisition, construction, installation, or other costs associated with any Hart Facilities. If CFD No. 2019-1 issues Bonds and makes Bond Proceeds available to finance any Hart Facilities, the Saugus District shall notify, or shall cause CFD No. 2019-1 to notify, the Hart District of the amount of Bond Proceeds available for such purpose within 15 days of those Bond Proceeds so becoming available. If Bond Proceeds are made available to finance the Hart Facilities, neither the Saugus District nor CFD No. 2019-1 shall: (i) be deemed or construed to represent or warrant that such Bond Proceeds will be sufficient to finance the acquisition, construction, installation and/or other authorized costs for all of the Hart Facilities; and (ii) have any liability to the Hart District if such Bond Proceeds are insufficient to finance all of the costs associated with the Hart Facilities. If CFD No. 2019-1 does not issue Bonds to finance the Hart Facilities, or make Bond Proceeds available for that purpose, neither the Saugus District nor CFD No. 2019-1 shall have any obligation to provide any amounts to finance or pay the acquisition, construction, installation and/or other costs associated with the Hart Facilities.

(c) The Hart District shall apply proceeds of the Bonds to the payment of costs to construct any Hart Facilities or portion thereof only if those Hart Facilities are constructed under the direction and supervision, or under the authority of, the Hart District or are constructed as if they had been constructed under the direction and supervision, or under the authority of, the Hart District.

Section 4. Disbursement, Accounting, and Use of Bond Proceeds.

(a) Bond proceeds available for the acquisition, construction and installation of the Hart Facilities shall be deposited in a special fund or account (howsoever the same may be denominated, the "Hart Facilities Account") to be established in accordance with the fiscal agent agreement, indenture or other instrument pursuant to which the Bonds are issued (howsoever such agreement may be denominated, the "Fiscal Agent Agreement"). Moneys on deposit in the

Hart Facilities Account shall be invested and disbursed at the direction of CFD No. 2019-1 and as provided in the Fiscal Agent Agreement.

(b) To the extent that moneys are available therein, CFD No. 2019-1 shall, from time to time, cause disbursements to be made from the Hart Facilities Account to pay the acquisition, construction, installation and/or other authorized costs of the Hart Facilities, upon submission in each case of: (i) a written request of the Hart District in substantially the form attached hereto as Exhibit B or as provided in the Fiscal Agent Agreement; and (ii) such documentation to evidence the facts set forth in such written request as reasonably required by the fiscal agent, trustee or similar party identified in the Fiscal Agent Agreement ("Fiscal Agent"), CFD No. 2019-1, or the Saugus District acting on behalf of CFD No. 2019-1.

(c) CFD No. 2019-1 shall process in a timely manner written requests for disbursements received from the Hart District that conform to the requirements hereof.

(d) If and to the extent Bond Proceeds are disbursed to the Hart District, the Hart District shall deposit and keep the Bond Proceeds, until expended, in an account that is separate and apart from all other accounts of the Hart District. The Hart District shall maintain adequate controls over its payments and accounting records relating to the Bond Proceeds (including, without limitation, expenditure for payment of costs associated with the Hart Facilities) in accordance with generally accepted accounting principles. The Hart District shall: (i) provide the Saugus District, CFD No. 2019-1, and/or their respective agents, with access at all reasonable times to any and all Hart District records related to the Hart Facilities; and (ii) upon request, provide to the Saugus District a copy of the Hart District's then-current or prior annual financial reports, which must be certified by an independent certified public accountant, together with an invoice for applicable copying charges, if any. In order to comply with then-current federal regulations, the Saugus District may include in the Fiscal Agent Agreement provisions necessary to maintain the tax exempt status of the Bonds, including to address Bond Proceeds held in the Hart Facilities Account which, as of the date that is three years following issuance of the Bonds, are not anticipated to be timely expended in accordance with Internal Revenue Code requirements or within a reasonable time thereafter. Such provisions may include that the Saugus District and/or CFD No. 2019-1, after providing the Hart District with notice and an opportunity to confer, may direct that the Bond Proceeds be withdrawn from the Hart Facilities Account and used to finance Saugus Facilities and/or to call and redeem some or all of the Bonds.

Section 5. Construction, Ownership and Maintenance of Facilities.

(a) The Saugus District shall have no responsibility or liability whatsoever with respect to the acquisition, construction and/or installation of any Hart Facilities or the payment of the acquisition, construction, installation and/or other costs associated with any Hart Facilities. The Hart Facilities shall be and remain the sole and separate property of the Hart District, and, in connection with this JCFA, the Hart District shall be solely responsible and liable for owning, operating and maintaining the Hart Facilities.

(b) The Hart District shall have no responsibility or liability whatsoever with respect to the acquisition, construction and/or installation of any Saugus Facilities or any

Sanitation Facilities. The Saugus Facilities and the Sanitation Facilities, respectively, shall be and remain the sole and separate property of the Saugus District and the Sanitation District, and the Saugus District and the Sanitation District, respectively, shall own, operate, and maintain the Saugus Facilities and the Sanitation Facilities.

Section 6. Tax Matters. In connection with the issuance of any Bonds and use of Bond Proceeds to finance the Hart Facilities or costs associated with the Hart Facilities, the Hart District shall upon request execute and deliver such certifications and agreements as reasonably may be required 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. The Hart District shall not use Bond Proceeds to finance the Hart Facilities in any manner that would cause interest on the Bonds to become included in gross income for federal income tax purposes. Representatives of the Hart District may consult with bond counsel for CFD No. 2019-1 in regard to the foregoing requirements, provided that in no event shall bond counsel be deemed or construed to be providing legal advice to the Hart District, and in all cases the Hart District shall seek any required legal advice from its own counsel. With respect to the use of Bond Proceeds to finance the Hart Facilities, the Hart District hereby represents and warrants as follows:

- (i) **No Private Use.** Any Bond Proceeds provided to finance Hart Facilities will not be used for any activities that constitute a Private Use. For purposes of this JCFA, the term “Private Use” means any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities as further defined under Internal Revenue Code Section 141 (b)(1). The leasing of the facilities or the access of a person or entity other than a governmental unit to property or services on a basis other than as a member of the general public (“General Public Use”) shall constitute a Private Use unless the Hart District obtains an opinion to the contrary from qualified and unbiased bond counsel. Use of the Bond Proceeds in a trade or business constitutes General Public Use only if the property is intended to be available and is in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business. The federal government shall be considered to be a person or entity that is not a governmental entity for purposes of this paragraph.
- (ii) **Management and Service Contracts.** As of the Effective Date, the Hart District expects that: (i) no portion of the Hart Facilities will be subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than governmental units) that involve the management of property or the provision of services that do not comply with the standards of the Revenue Procedure (defined below); and (ii) no portion of the Hart Facilities will be used to provide property subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than governmental units) that involve the management of property or the provision of services that do not comply with the standards of the Revenue Procedure. With respect to such management and service contracts, the determination of whether a particular use of the Hart Facilities constitutes Private Use shall be determined on the basis of applying IRS Revenue Procedure 2017-13 (“Revenue Procedure”).

- (iii) Timely Expenditure. The Hart District reasonably expects that it will have, not later than three years from the date the Bonds are issued, expended all Bond Proceeds made available pursuant to this JCFA for the Hart Facilities identified in Exhibit A hereto.

Section 7. Debt Management Policy Compliance. The Saugus District and the Hart District are each a public agency that is required to maintain a debt management policy in compliance with Section 8855(i)(1) of the California Government Code. Each of the Saugus District and the Hart District hereby represents that: (i) it has adopted a debt management policy in accordance with such Section 8855(i)(1); (ii) it is in compliance with its debt management policy as it relates to the execution and performance of the terms of this Agreement; and (iii) it will confirm, in writing, the existence of such policy upon request of any other Party to this JCFA.

Section 8. Indemnification.

(a) The Hart District shall indemnify, defend and hold-harmless the Saugus District, the Saugus Board and each of its individual members, the Saugus District's other officers, employees and agents, CFD No. 2019-1, CFD No. 2019-1's legislative body and each of its individual members, and CFD No. 2019-1's other officers, employees and agents ("Saugus District Indemnified Parties"), and each of them, with respect to any and all claims, demands, decrees, actions and other proceedings, losses, damages, awards, judgments, expenses and costs (including without limitation, attorneys' fees) and other liabilities of whatever nature (each a "Liability" and, if more than one, the "Liabilities") that arise or are alleged to arise in connection with: (i) the acts and/or omissions (regardless of whether constituting negligence or willful misconduct) of the Hart District relating to this JCFA and/or the Hart District's performance or failure to perform pursuant to this JCFA; and/or (ii) the acquisition, construction, installation, operation, and/or maintenance of the Hart Facilities. Any defense provided by the Hart District pursuant to this Subsection must be provided by qualified and experienced legal counsel reasonably acceptable to the Saugus District, but selected and retained by the Hart District at its sole cost and expense. If the Hart District fails to provide any defense in accordance with this Subsection, the Saugus District and/or CFD No. 2019-1 may: (i) cause its legal counsel to provide such defense; and (ii) recover from the Hart District any and all direct and incidental costs of such defense, including, without limitation, attorneys' fees and court costs. Notwithstanding the foregoing, the Hart District shall not be required to indemnify, defend and hold-harmless the Saugus District Indemnified Parties if and to the extent any Liabilities arise from the active or sole negligence, or the willful misconduct, of any of the Saugus District Indemnified Parties.

(b) The Developer shall indemnify, defend and hold-harmless the Saugus District Indemnified Parties, and each of them, with respect to each and every Liability that arises or is alleged to have arisen in connection with: (i) the acts and/or omissions (regardless of whether constituting negligence or willful misconduct) of the Developer relating to this JCFA and/or the Developer's performance or failure to perform pursuant to this JCFA; and/or (ii) mistaken or otherwise false or untrue certifications or other representations of fact by the Developer in connection with the release from any account held by the Fiscal Agent and/or use of Bond Proceeds. Any defense provided by the Developer pursuant to this Subsection must be provided by qualified and experienced legal counsel reasonably acceptable to the Saugus

District, but selected and retained by the Developer at its sole cost and expense. If the Developer fails to provide any defense in accordance with this Subsection, the Saugus District and/or CFD No. 2019-1 may: (i) cause its legal counsel to provide such defense; and (ii) recover from the Developer any and all direct and incidental costs of such defense, including, without limitation, attorneys' fees and court costs. Notwithstanding the foregoing, the Developer shall not be required to indemnify, defend and hold-harmless the Saugus District Indemnified Parties if and to the extent any Liabilities arise from the active or sole negligence, or the willful misconduct, of any of the Saugus District Indemnified Parties.

Section 9. Costs and Expenses. Upon request of the Hart District, the Developer shall pay, or reimburse the Hart District for: (i) the attorneys' fees and expenses incurred by the Hart District in connection with the discussion, negotiation, structuring and implementation of the matters covered by, and the drafting, review and revision of, this JCFA; and (ii) the attorneys' fees and expenses incurred by the Hart District in connection with the issuance of the Bonds. In no event shall the Saugus District or CFD No. 2019-1 be deemed or construed to have any responsibility or liability for paying or reimbursing the Hart District for such fees and expenses.

Section 10. Nature of Agreement; Allocation of Special Taxes. This JCFA shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Mello-Roos Act. Notwithstanding anything to the contrary and as between the Parties, all proceeds of the Special Taxes shall be allocated and distributed to the Saugus District, not to any of the other Parties or to any third party.

Section 11. Giving of Notice.

(a) **General Requirements.** Any and all notices required or permitted to be given pursuant to this JCFA (each a "Notice") must be in writing and must be given or served in accordance with this Section 12.

(b) **Methods of Delivery.** Each Notice must be sent via: (i) registered or certified U.S. mail (postage pre-paid and return receipt requested); (ii) FedEx, UPS or other reliable, private delivery service (with name and signature of recipient obtained on electronic or other delivery receipt); or (iii) electronic mail (i.e., email) transmission (with original of the Notice deposited into the U.S. mail, first-class postage prepaid, within twelve hours after transmission). Neither Party may unreasonably refuse to accept delivery of any Notice in an attempt to avoid the giving or service of the Notice, and any such refusal by a Party shall be deemed and construed as a material breach of such Party's obligations pursuant to this JCFA.

(c) **Additional Requirements for Notice by Email.** As an additional condition to sending a Notice by email, the reference (or "re") line must indicate that it is a "Notice Pursuant to CFD No. 2019-1 JCFA." Because email addresses are subject to change more frequently than physical addresses, if a Notice is to be sent by email, unless the sender has actual knowledge of the then-current correct email address of each intended recipient, the sender must call and verify the then-current email address of each intended recipient prior to sending the Notice, or must use some other method of delivering the Notice.

(d) Persons to Whom Notices Must be Sent. Notices must, as applicable, be addressed as provided below in this Subsection. A copy of each Notice sent to the Saugus District must also be sent to CFD No. 2019-1, and a copy of each notice sent to CFD No. 2019-1 must also be sent to the Saugus District. A copy of each Notice sent to a Party must also be sent to that Party's legal counsel.

To Saugus District:

Saugus Union School District
Attn: Asst. Supt., Business Services
24930 Avenue Stanford
Santa Clarita, CA 91355
Email: nheinlein@saugusd.org

To Saugus District Legal Counsel:

Atkinson, Andelson, Loya, Ruud & Romo
Attention: Brian W. Smith
20 Pacifica, Suite 1100
Irvine, CA 92618
Email: Brian.Smith@aalrr.com

To CFD No. 2019-1:

Saugus CFD No. 2019-1
c/o Saugus Union School District
Attn: Asst. Supt., Business Services
24930 Avenue Stanford
Santa Clarita, CA 91355
Email: nheinlein@saugusd.org

To CFD No. 2019-1 Legal Counsel:

Atkinson, Andelson, Loya, Ruud & Romo
Attention: Brian W. Smith
20 Pacifica, Suite 1100
Irvine, CA 92618
Email: Brian.Smith@aalrr.com

To Hart District:

William S. Hart Union High School District
Attn: Ralph Peschek
Chief Financial Officer
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Email: rpeschek@hartdistrict.org

To Hart District Legal Counsel:

Atkinson, Andelson, Loya, Ruud & Romo
Attention: Wendy H. Wiles
20 Pacifica, Suite 1100
Irvine, CA 92618
Email: Wendy.Wiles@aalrr.com

To the Developer:

Pardee Homes
Attention: David A. Little
177 East Colorado Blvd., Suite 500
Pasadena, CA 91105
Email: dave.little@pardeehomes.com

To Developer Legal Counsel:

O'Neil LLP
Attention: John Yeager
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612
Email: jyeager@oneil-llp.com

To the Developer:

TRI Pointe Homes, Inc.
Attention: Keith Frankel
5 Peters Canyon Road, Suite 100
Irvine, CA 92606
Email: Keith.Frankel@TriPointeHomes.com

To the Developer's Legal Counsel:

O'Neil LLP
Attention: John Yeager
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612
Email: jyeager@oneil-llp.com

(e) **Changes in Contact Information.** A Party may give notice of each change in its address, person to whom attention should be directed, or email address by giving Notice in accordance with this Section 12. If any such contact information for a Party changes and the Party does not give notice of such change in accordance with this Section 12, then, unless the sender has actual knowledge that the Party's contact information has changed and except as provided by law, any subsequent Notices addressed and delivered to the old or obsolete contact information shall be deemed and construed to have been given or served in accordance with Subsection (f) of this Section herein, regardless of whether "actual receipt" has occurred. However, if a sender has actual knowledge that a Party's contact information has changed, the sender shall have an affirmative obligation to make reasonable efforts to obtain the intended recipient's then-current contact information. If, after making such reasonable efforts, a sender is unable to obtain a Party's then-current contact information sufficient to provide Notice to that Party using one of the methods authorized by this Section 12, then, except as provided by law, Notice shall be deemed and construed to have been given or served in accordance with Subsection (f) of this Section herein upon delivery or attempted delivery of the Notice to the Party's old or obsolete contact information.

(f) **Effect of Receipt.** Except as provided in Subsection (e) of this Section, a Notice shall be deemed given or served only upon actual receipt by the addressee. In the case of email, "actual receipt" shall mean delivery to the recipient's email in-box. However, if any Notice (including, without limitation, any Notice sent by email) is delivered after 4:00 p.m. on any business day, or is delivered on any day that is not a business day, the Notice shall be deemed to have been given or served as of 9:00 a.m. on the next subsequent business day.

(g) **Applicability of Notice Requirements.** The requirements of this Section 12 shall not be deemed or construed to apply to: (i) communications between the Parties for purposes of the day-to-day administration of this JCFA; or (ii) service of process in accordance with any applicable law or court rule.

Section 12. California Law. This JCFA and all rights and obligations arising out of it shall be governed by, and construed in accordance with, the laws of the State of California, notwithstanding any conflict-of-laws, choice-of-laws, or other provisions in any federal, state or other law. Each and every mediation, arbitration, litigation and other proceeding arising out of this JCFA shall be initiated and conducted only in the County of Los Angeles, California.

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

Section 14. Assignment and Successors. No assignment by a Party of this JCFA or of any of its rights pursuant to this JCFA, and no delegation by a Party of any of its obligations pursuant to this JCFA, shall be valid or binding on any other Party unless and until written notice of the assignment or delegation has been provided to all Parties. Subject to the foregoing, this JCFA shall be binding upon and inure to the benefit of the authorized successors of the Parties.

Section 15. Interpretation Guides. This JCFA shall be deemed to have been prepared by the Parties jointly, and no ambiguity shall be resolved against a Party solely because

it or its attorneys were primarily responsible for drafting this JCFA or any provision herein. The captions and headings set forth in this JCFA are for convenience only and shall not be deemed or construed to establish, define, or limit the scope or intent of any Parts, Sections, Subsections, or other provisions herein. Unless expressly specified otherwise, any reference herein to a Section or Subsection shall be interpreted as a reference to a Section or Subsection of this JCFA.

Section 16. Entire Agreement. This JCFA contains the entire agreement and understanding concerning the subject matter herein, and this JCFA supersedes and replaces all prior and contemporaneous negotiations and proposed agreements, written or oral, except as they are included in this JCFA. Each Party acknowledges that: (i) except as expressly set forth in this JCFA, neither the other Parties nor their agents or attorneys have made any promise, representation, or warranty whatsoever, express or implied, for the purpose of inducing the execution of this JCFA; and (ii) this JCFA has not been executed in reliance upon any promise, representation, or warranty that is not set forth herein.

Section 17. No Termination Due To Change In Law. The provisions of this JCFA shall not be affected by: (i) any change to applicable law that occurs on or after the Effective Date; (ii) any legislation enacted, whether through the legislative or initiative process, on or after the Effective Date; or (iii) any judicial decisions issued on or after the Effective Date that otherwise would affect the matters addressed in this JCFA.

Section 18. Amendments Must Be In Writing. This JCFA may be amended or otherwise modified only by means of written instrument that has been duly-approved, signed, and delivered by all Parties.

Section 19. No Third Party Beneficiaries. The Parties have entered into this JCFA solely for the benefit of the District, CFD No. 2019-1, the Hart District, and the Developer. No person or party other than the Parties shall be deemed or construed to have any right or entitlement as a result of this JCFA, and no such other person or party shall be entitled, directly or indirectly, to base any claim, demand, or cause of action on this JCFA.

Section 20. Joint Responsibility. For all purposes of this JCFA, Pardee and TRI Pointe shall be jointly and severally responsible for the obligations of the Developer pursuant to this JCFA.

Section 21. Due Authority of Signatories. Each person that signs this JCFA on behalf of a Party shall be deemed and construed to thereby represent and warrant that he or she has been duly authorized by such Party to sign, and thereby bind such Party to, this JCFA.

Section 22. Counterparts. This JCFA 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 Page Follows]

IN WITNESS WHEREOF, the Parties have executed this JCFA as shown by the signatures, below, of their respective authorized representatives.

Saugus Union School District

By: _____
Nick Heinlein, Assistant Superintendent,
Business Services

Approved as to Form:

By: Atkinson, Andelson, Loya, Ruud & Romo,
Attorneys for the Saugus Union School District

By: _____
Brian W. Smith, Legal Counsel

William S Hart Union High School District

By: _____
Ralph Peschek, Chief Financial Officer

Approved as to Form:

By: Atkinson, Andelson, Loya, Ruud & Romo,,
Attorneys for William S. Hart Union High
School District

By: _____
Wendy Wiles, Legal Counsel

Pardee Homes, a California Corporation

By: _____
David A. Little, President

TRI Pointe Homes, Inc., a Delaware Corporation

By: _____
Print Name: _____
Print Title: _____

Approved as to Form:

By: O'Neil LLP, Attorneys for Pardee Homes
and TRI Pointe Homes, Inc.

By: _____
John P. Yeager, Legal Counsel

EXHIBIT A

DESCRIPTION OF HART FACILITIES

The types of Hart Facilities to be owned and operated by the Hart District and financed by CFD No. 2019-1 are:

Any school facility or facilities with an estimated useful life of five years or longer needed by the William S. Hart Union High School District, including, without limitation: sites; on-site and off-site improvements (including, among possible others, landscaping, access roadways, drainage, sidewalks and gutters, utility lines, playground areas and equipment); classrooms; interim student housing; recreational facilities; on-site school offices and other administrative spaces; centralized and subsidiary administrative and support facilities; transportation facilities; and furnishings and equipment (including, to the extent permitted by law, vehicles, buses and technology equipment and infrastructure), and the costs associated with the planning, design and construction or reconstruction of any such school facility or facilities, whether paid for directly or financed and paid in the form of or in lieu of fees or mitigation payments.

EXHIBIT B
FORM OF HIGH SCHOOL DISTRICT WRITTEN REQUEST
WRITTEN REQUEST FOR
DISBURSEMENTS FROM HART FACILITIES ACCOUNT

William S. Hart Union High School District (the "Hart District"), hereby states and certifies:

(a) that _____, as fiscal agent (the "Fiscal Agent") under the Fiscal Agent Agreement, dated as of _____, 20__ (the "Fiscal Agent Agreement"), by and between Community Facilities District No. 2019-1 of the Saugus Union School District and the Fiscal Agent, is hereby requested to disburse from the Hart Facilities Account, established pursuant to the Fiscal Agent Agreement, to the payees set forth on Attachment 1 attached hereto and by this reference incorporated herein, the amount set forth on Attachment 1 opposite each such payee, for payment of such costs incurred or to be incurred and expended in the reasonably near future based on a contract, purchase order or other authorization for the purposes identified on said Attachment 1;

(b) that each such payment constitutes a cost of the Hart Facilities (as defined in the Fiscal Agent Agreement) and is a proper charge against the Hart Facilities Account;

(c) that each such amount has not been the subject of a prior disbursement from the Hart Facilities Account; and

(d) that each portion of the Hart Facilities for which payment is requested was or will be constructed under the direction and supervision, or under the authority of, the Hart District or was or will be constructed as if it had been constructed under the direction and supervision, or under the authority of, the Hart District.

**WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT**

By: _____
Authorized Representative

ATTACHMENT 1

Payee Name and Address

Purpose of Obligation

Amount

\$

\$

Total: \$