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)

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**AMENDED AND RESTATED SCHOOL FACILITIES FUNDING AND MITIGATION
AGREEMENT BETWEEN
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, COMMUNITY FACILITIES
DISTRICT NO. 2008-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL
DISTRICT
AND WH CASTAIC 497 LLC**

NOTICE - UPON CERTAIN CONDITIONS BEING MET
AS SET FORTH HEREIN, THIS AGREEMENT WILL
AMEND AND SUPERSEDE THAT CERTAIN
AGREEMENT ENTITLED SCHOOL FACILITIES
FUNDING AND MITIGATION AGREEMENT BY AND
BETWEEN THE WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT AND HASLEY CANYON LAND
COMPANY, LLC DATED AS OF JANUARY 23, 2002

This AMENDED AND RESTATED SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT BETWEEN WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, COMMUNITY FACILITIES DISTRICT NO. 2008-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT AND WH CASTAIC 497 LLC (“Mitigation Agreement”) is made and entered into as of this 4th day of August, 2021, by and between the William S. Hart Union High School District, a California public school district (“District”), Community Facilities District No. 2008-1 of the William S. Hart Union High School District (“CFD No. 2008-1”), a Mello-Roos community facilities district formed and operating pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (“Act”) and WH Castaic 497 LLC, a Delaware limited liability company and affiliate of Williams Homes (“Owner”). The District, CFD No. 2008-1 and Owner may hereinafter individually be referred to as “Party” and collectively as “Parties.”

RECITALS

A. Owner is the owner of approximately 430 acres of undeveloped real property located just west of Interstate 5 and north of Hasley Canyon Road within the unincorporated area of Los Angeles County (“County”) and included within County Tract Map No. 52584 (“Property”). The Property is located within the boundaries of the District and the Castaic Union School District (“Castaic District”). The Castaic District is not a party to this Mitigation Agreement and Owner is not mitigating any impacts to the Castaic District from development of the Property pursuant to this Mitigation Agreement. Although the District is not participating in any mitigation of impacts that may occur between the Castaic District and Owner, the District may finance the Owner’s obligations to the Castaic District as set forth in Recital “E”. The Property is described in Exhibit “A” and depicted in Exhibit “B”.

B. Owner is a successor in interest to Hasley Canyon Land Company, LLC, a Delaware limited liability company (“Hasley LLC”) and the former owner of the Property. In January, 2002, Hasley LLC and the District entered into that certain School Facilities Funding and Mitigation Agreement By and Between the William S. Hart Union High School District and Hasley Canyon Land Company, LLC (“Hasley Mitigation Agreement”) providing for the mitigation of impacts on the District from the then-proposed development of 209 single family dwelling units and a golf course (“Hasley Project”). The Property is currently subject to the Hasley Mitigation Agreement. In 2008, the District and Hasley LLC took steps to form a community facilities district designated “Community Facilities District No. 2008-1 of the William S. Hart Union High School District (“CFD No. 2008-1”) pursuant to the provisions of the Act, which includes the Property. Such proceedings were completed and CFD No. 2008-1 is currently in place and includes the Property. A Notice of Special Tax Lien for the authorized special taxes of CFD No. 2008-1 was recorded against the Property on June 25, 2008.

C. Owner has acquired the Property and anticipates the Property will now be developed with approximately 497 single family detached residential dwelling units (“DUs”) and will be known as “Williams Ranch” (“Project”). Owner is proposing that the District and Owner enter into a new mitigation agreement, which will supersede and replace the Hasley Mitigation Agreement, and take steps to form a new community facilities district over the Property, which will contain two improvement areas (“Improvement Areas”) and which is expected to be

designated as “Community Facilities District No. 2021-1 of the William S. Hart Union High School District (“CFD No. 2021-1”) pursuant to the provisions of the Act.

D. Upon execution of this Mitigation Agreement and the completion of the formation of CFD No. 2021-1, defined in Section 4 as the “Formation Completion Date”, the District will take actions to dissolve CFD No. 2008-1 and cancel the special tax lien of CFD No. 2008-1 on the Property.

E. Owner and District have agreed upon the terms for the mitigation of the impacts of the Project on the grade 9-12 school facilities of District (“School Facilities”) as herein set forth. Owner has requested that District take actions to establish CFD No. 2021-1 for the purpose of funding the School Facilities, together with financing certain public facilities and infrastructure for the Property, including water facilities (“Water Facilities”) for Los Angeles County Water Works District No. 36 (“Water District”), sewer facilities (“Sanitation Facilities”) for Santa Clarita Valley Sanitation District (“Sanitation District”), and elementary and middle school facilities (“Elementary and Middle School Facilities”) for the Castaic District (collectively, the “Other Public Facilities”), (the Water District, the Sanitation District and the Castaic District, are collectively referred to as the “Other Public Agencies”). The funding of the School Facilities and the Other Public Facilities shall be through the levy of special taxes proposed within each of the Improvement Areas of CFD No. 2021-1 (“Special Taxes”) and the issuance of bonds or a series of bonds, or other financing secured by the Special Taxes (collectively, the “Bonds”). Each of the agreed upon Rates and Methods of Apportionment of the Special Taxes for each of the Improvement Areas of CFD No. 2021-1 (each an “RMA”) are attached hereto as Exhibit “C.”

F. Prior to the issuance of Bonds by CFD No. 2021-1, on behalf of the Improvement Area(s) thereof, it is contemplated, as permitted by applicable law, that the District will approve and execute joint community facilities agreements (“JCFAs”) with Owner and each of the Water District, Sanitation District and Castaic District pursuant to the provisions of the Act authorizing the funding, to the extent available, from proceeds of Bonds of CFD No. 2021-1, on behalf of the Improvement Area(s) thereof, for the Other Public Facilities, all as described in Exhibit “D”.

G. In consideration of the District agreeing to finance the “Mitigation Amount”, as defined in Section 2, the execution and performance of this Mitigation Agreement by the Owner, the formation of CFD No. 2021-1, and the Improvement Areas thereof, authorization of the Special Taxes, authorization and issuance of the Bonds in an amount sufficient to fully fund the Mitigation Amount for the Project as further set forth herein, the impacts of the Project on the School Facilities of the District shall be deemed fully mitigated.

H. The Parties contemplate that upon the formation of proposed CFD No. 2021-1, and the Improvement Areas thereof, the authorization(s) of the Special Taxes, the authorization of the incurring of bonded indebtedness thereof, and various related matters and actions, the District and CFD No. 2008-1 will acknowledge that the mitigation obligation set out in the Hasley Mitigation Agreement has been superseded by the terms of this Mitigation Agreement and the District and CFD No. 2008-1 shall, subject to such terms and conditions, take actions to dissolve CFD No. 2008-1, to remove the existing lien of the special taxes of CFD No. 2008-1 against the Property and take related actions, all as set forth herein.

AGREEMENT

1. Incorporation of Recitals. All of the foregoing Recitals are correct and are incorporated into this Mitigation Agreement by this reference.

2. Mitigation Amount. The initial “Mitigation Amount” for the Project shall be \$8,832 per DU. The Mitigation Amount shall escalate annually, commencing July 1, 2021, and annually thereafter at the greater of two percent (2%) or the annual increase in the construction cost index used by the State Allocation Board for annual adjustments to school facility program grant amounts (“Index”). As of the date of this Mitigation Agreement, the State Allocation Board utilizes the RS Means Construction Cost Index. This Mitigation Agreement does not contemplate the development of senior citizen residential housing as provided in Government Code Section 65995.1 (“Senior DU”) or commercial or industrial development as provided in Education Code Section 17620(a)(1)(A) (“Commercial/Industrial Development”), as part of the Project, which are not included in the Mitigation Amount. Should such development occur in the Project, Owner shall pay the then-current applicable statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and/or Section 65995.7) as applicable for all Senior DUs and any Commercial/Industrial Development that is constructed on the Property.

3. Purposes of Mitigation Agreement. The purposes of this Mitigation Agreement are: (i) to establish the agreed upon Mitigation Amount; (ii) to establish a means for funding and financing the Mitigation Amount for the School Facilities; (iii) to provide for funding from the proceeds of Bonds of CFD No. 2021-1, on behalf of the Improvement Areas thereof, if available, consistent with applicable law, for the financing of the Other Public Facilities for the Project; and (iv) to provide for the actions to be taken by the District and CFD No. 2008-1 for the dissolution of CFD No. 2008-1 and the removal of the special tax lien of CFD No. 2008-1 against the Property and related actions. In the event all or a portion of the Other Public Facilities are not able to be financed as provided for herein, it shall not constitute a basis for termination of this Mitigation Agreement.

4. Formation of CFD No. 2021-1. Owner has requested that the Mitigation Amount for the Project be satisfied by means of the formation of CFD No. 2021-1, including the Improvement Areas thereof, pursuant to the Act, the subsequent authorization and required payment of the Special Taxes, and issuance of the Bonds for the benefit of the District, including the Improvement Areas thereof, in lieu of paying statutory or alternative school fees to District. Owner and District agree that the Bond proceeds will also fund, if available, consistent with applicable law, all or a portion of the Other Public Facilities as described in Exhibit “D”, as provided in this Mitigation Agreement. Owner will cooperate with the Other Public Agencies and the District in obtaining the approval and execution of the JCFA, formation of the proposed CFD No. 2021-1, including the Improvement Areas thereof, authorization of the Special Taxes and Bonds, and issuance of the Bonds consistent with sound municipal financing practices and applicable law. Owner acknowledges that under federal tax requirements, the District and CFD No. 2021-1 may be required to obtain certain information from the Water District, the Sanitation

District and the Castaic District relative to the purposes for the financing of the Other Public Facilities costs prior to the issuance of Bonds as specified in the applicable JCFA. In the event one of the Other Public Agencies declines or fails to provide such information, it may not be possible for CFD No. 2021-1 to finance such facilities for such Other Public Agency by the Bonds. Owner understands and agrees to exercise commercially reasonable efforts to assist the District and CFD No. 2021-1 in obtaining the information needed and the conditions included in the JCFA's. The Owner agrees that the District and CFD No. 2021-1 shall have no liability to the Owner or any other person or entity in the event some or all of the Other Public Facilities are not able to be funded through the Bonds. The formation of CFD No. 2021-1 shall be deemed to be completed thirty (30) calendar days after enactment of the Ordinance authorizing the levy of the Special Taxes of the Improvement Areas of CFD No. 2021-1, pursuant to the provisions of the Act, with no judicial challenges pending in regard to the formation of CFD No. 2021-1, including the Improvement Areas thereof, the authorization of the Special Taxes of the Improvement Areas, or the bonded indebtedness and authorization for the Bonds as reasonably determined by CFD No. 2021-1 (the "Formation Completion Date"). Upon the Formation Completion Date, the Hasley Mitigation Agreement shall no longer have any force and effect and this Mitigation Agreement shall supersede any duties or obligations of the Hasley Mitigation Agreement. In addition, within thirty (30) days following the Formation Completion Date, the District and CFD No. 2008-1 shall take all necessary actions to dissolve CFD No. 2008-1 and record a notice of cancellation and extinguishment of the special tax lien of CFD No. 2008-1 with respect to the Property.

5. Owner's Deposit for CFD No. 2021-1. In order for District to prepare this Mitigation Agreement and the JCFA's and to initiate and complete the proceedings to form CFD No. 2021-1, including the Improvement Areas thereof, a predecessor of Owner deposited with the District the sum of Twenty-Five Thousand Dollars (\$25,000) ("Initial Owner Deposit"). Owner represents to District that the rights to reimbursement for the Initial Owner Deposit have been transferred to Owner through Owner's acquisition of the Property. In the event the Initial Owner Deposit is insufficient to cover the costs associated with this Mitigation Agreement, the formation of CFD No. 2021-1, including the Improvement Areas thereof, and the dissolution of CFD No. 2008-1 and removal of the special tax lien of CFD No. 2008-1, and related actions, Owner shall make additional deposits with the District for such costs ("Additional Owner Deposits" collectively, "Owner Deposits"). The Owner Deposits will be reimbursed to Owner, without interest, solely from the proceeds of Bonds as and when issued.

6. Certificates of Compliance Prior to Issuance of Bonds. The Bonds shall be issued, as reasonably determined by District, based upon sound municipal financing practices and the Goals and Policies of the District in effect as of the date of this Mitigation Agreement ("CFD Goals and Policies"). In the event prior to the issuance of Bonds, Owner, or its successors or assigns, seeks a certificate of compliance ("COC") for a DU (other than a Senior DU), Owner shall make a cash deposit, refundable only as provided for herein, to District equal to the then-current Mitigation Amount for all DU(s) included within the requested COC ("COC Deposit"). To the extent Owner, prior to the sale of Bonds, has made, or in the future does make such COC Deposit(s) to District as set forth above, District shall refund the COC Deposit(s) made to District under this Mitigation Agreement, without interest, to Owner at the time the Bonds are issued only to the extent of sufficient proceeds of the Bonds received by District and CFD No. 2021-1.

7. Certificates of Compliance After Issuance of Bonds. Upon receipt of the Bond proceeds in connection with the issuance of Bonds for an Improvement Area, District shall establish a fee credit equal to the number of DUs within such Improvement Area for which the Mitigation Amount has been funded with proceeds of Bonds received by District in excess of the number of DUs for which COC Deposits have previously been deposited by Owner with District ("Mitigation Credit").

(a) If, after the Bonds are issued for an Improvement Area, Owner requests a COC for a new DU within such Improvement Area and the number of DUs remaining in the Mitigation Credit is greater than or equal to the DUs included within the COC being requested, Owner may obtain the COC from the District without the payment or deposit of any funds for such requested DUs.

(b) If, after the Bonds are issued for an Improvement Area that were not sized based upon the expected build-out of the Improvement Area, Owner requests a COC for a new DU within such Improvement Area and the number of DUs remaining in the Mitigation Credit has been exhausted by using the credits issued pursuant to this Section 7 of this Mitigation Agreement, Owner shall pay the then-applicable Mitigation Amount for all of the DUs requested. Such COC Deposits shall be subject to reimbursement following a subsequent issuance of Bonds for the Improvement Area in accordance with Section 6 of this Mitigation Agreement.

(c) Owner shall not be entitled to any refund if the total number of DUs constructed within the Project is less than the number of DUs remaining in the Mitigation Credit. In the event a COC is requested for an addition to a DU after occupancy by the first homeowner for such DU, the issuance of the COC shall be subject to the payment by the homeowner of applicable statutory school fees specified by then-applicable law prior to the issuance of such COC for such additional assessable space.

8. District Obligations. Provided the Owner is complying with the terms of this Mitigation Agreement, and subject to the provisions of this Mitigation Agreement, District shall not, under any circumstances:

(a) Exercise any power or authority under current or future law to levy or impose a school fee, condition, exaction or other requirement (other than Special Taxes or the Mitigation Amount authorized pursuant to this Mitigation Agreement, any District-wide special tax (including a parcel tax) or any District-wide ad valorem real property taxes or a School Facilities Improvement District ("SFID") of District (provided the boundaries of such SFID comprise a substantial portion of the attendance area for each school within the District), general obligation bonds or statutory school fees (pursuant to Education Code Section 17620 and Government Code Section 65995) or alternative school fees (pursuant to Government Code Section 65995.5 and 65995.7) with respect to Senior DUs and Commercial/Industrial Development) in any way relating to the use, occupancy or development of the Project.

(b) Require, request or cooperate with the County of Los Angeles or any other governmental entity to exercise any power or authority as to the Project to levy or impose an exaction of land, goods, money or services, whether denominated a fee, charge, dedication or tax for District's benefit.

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

(d) Sponsor or require the formation of a community facilities district (other than CFD No. 2021-1), assessment district or similar district including the Project, without the written consent of Owner, which consent may be given or withheld in Owner's sole discretion, except as provided in subparagraph (a) of this Section 8.

(e) The provisions of subparagraphs (a), (b), (c) and (d) shall terminate upon issuance of the certificate of occupancy for the 497th DU or the last DU in the Project if there are more or less than 497 DUs.

9. Project Mitigation and CFD No. 2021-1. The District shall issue Bonds of CFD 2021-1, on behalf of the Improvement Areas thereof, consistent with sound municipal financing practices, the CFD Goals and Policies as reasonably determined by the District and the terms and conditions set forth herein. The District and CFD No. 2021-1 shall at all times have discretion as to factors relating to the Bonds in the prudent management of the issuance of taxable or tax-exempt securities under laws and conditions then applicable, including, but not limited to, then-applicable marketing conditions. The District shall not be obligated to issue Bonds in a non-standard issuance methodology or format, such as capital appreciation bonds, variable rate demand bonds, forward delivery contracts or bonds/securities that are not payable on an annual or semi-annual basis. The formation of CFD No. 2021-1, authorization of the Special Taxes, and authorization and issuance of the Bonds in an amount sufficient to fully fund the Mitigation Amount shall be deemed to fully mitigate the impacts of the Project on the School Facilities of the District.

10. Special Taxes of the Improvement Areas of CFD No. 2021-1 Contractually Obligated for the Financing of the School Facilities and Other Actions.

(a) This Mitigation Agreement and the JCFA's establish contractual agreements between the District, the Owner and the applicable Other Public Agencies for the funding and financing of the School Facilities and the Other Public Facilities to be owned by the District and the Other Public Agencies, as applicable, through the levy of Special Taxes and the issuance of Bonds by the proposed CFD No. 2021-1, on behalf of the Improvement Areas thereof. The funding and financing of such School Facilities and the Other Public Facilities, to the extent provided by this Mitigation Agreement and the JCFA's, are contractual obligations of the Parties to such agreements enabling, in part, the District to meet the School Facilities needs of the District so that Owner may obtain COCs to complete the Project. The levy of Special Taxes is an integrated contractual obligation to fund the herein-described amount for the School Facilities and Other Public Facilities required by the aforementioned contractual obligations. The Parties desire to fully support the continuation of the Special Taxes once enacted. The Parties agree that any reduction, or the repeal of the Special Taxes authorized to be levied on parcels within the Improvement Areas of CFD No. 2021-1 would impair such existing contractual obligations. However, the Parties agree that at any time prior to the issuance of the first series of Bonds of an Improvement Area, if Owner provides written notice to the District that Owner does not expect a JCFA can or will be entered into with one or more of the Other Public Agencies, the District agrees, provided the costs are paid in advance by Owner, to conduct all necessary proceedings and take all necessary actions to reduce

the maximum Special Taxes to an amount sufficient only to fund the full Mitigation Amount for the Project and Other Public Facilities for which JCFA(s) have been fully executed.

(b) In order to preserve, support, and protect the contractual obligations of the Parties and the Special Taxes to be levied by CFD No. 2021-1, on behalf of the Improvement Areas thereof, once such Special Taxes are enacted, the Owner, on behalf of itself and its successors and assigns agrees to the full extent permitted by law, that as the Owner(s) or lessee(s) of all or any portion of the Property, Owner hereby waives any right to exercise the initiative power that may be authorized in California Constitution Article XIII C, Section 3, or as otherwise may be permitted under California law, except as may be required under Section 14(g), to reduce, modify, appeal or shorten the term of the Special Taxes. Upon receiving actual knowledge, information, or any actual circulation of a petition (including, but not limited to, any written circulation, ordinance, or other document(s) pursuant to the Act, California law, or Article XIII C of the California Constitution) ("Petition"), to alter, amend, reduce, shorten the term of and/or eliminate the Special Taxes previously authorized and currently existing, the Owner shall provide written notice to the District (as provided in Section 25) within three (3) business days of receiving such information.

(c) In the event that any such Petition is submitted to the District or CFD No. 2021-1, the Owner, its successors, assigns, subsidiaries and partners shall not agree to any waiver of time for shortening the period leading up to any election which may be called as a result of the submission of such Petition pursuant to the Act, unless specifically authorized to do so in writing by an authorized representative of the District. In the event any such Petition is submitted to the District pursuant to the provisions of the Act, the District shall promptly provide notice to the Owner pursuant to Section 25, relative to any public hearing which may be conducted to receive information, public comments and/or protests to the provisions of the Act with regard to Petition(s) so filed with the District or any related proposal. In such event, the Owner agrees that it shall provide a personal appearance by an officer, employee or representative of Owner to provide verbal and written opposition to any such Petition effort, unless released from such obligation by an authorized representative of the District.

(d) To the fullest extent permitted by law, the Owner, for itself and for each of its successors and assigns, as owners or lessees of all or any portion of the Property, hereby waives any right to exercise the initiative power that may be authorized by the California Constitution Article XIII C, Section 3, or as otherwise may be permitted under California law to reduce, modify, appeal or shorten the term of the Special Taxes.

(e) The Parties acknowledge that a consequence of actions to repeal or reduce the Special Taxes may result in a reduction or elimination of available Special Tax revenues to provide for the payment of the Mitigation Amount as set forth herein. In such event, the Parties expressly agree that the requirements of Section 2 shall remain applicable unless such repeal or reduction is the result of the Governing Board's action to reduce or repeal the Special Taxes, excluding such reduction requested by Owner pursuant to Section 10(a) herein, as opposed to an exercise of the initiative power pursuant to California Constitution Article XIII C, Section 3.

(f) If the Special Taxes of CFD No. 2021-1, including the Improvement Areas thereof, are repealed pursuant to Article XIII C of the California Constitution, then, as a condition for receiving any future COC for a DU (other than a Senior DU) that is requested subsequent to

the date the Special Taxes are repealed, Owner shall be required to make payments to the District in an amount equal to the then-applicable Mitigation Amount for each such COC requested by Owner, as calculated pursuant to the provisions of this Mitigation Agreement, at the time that each such COC is requested.

11. Limitation on Additional Debt Encumbering Project. Owner and District recognize that additional public debt could be placed on the Property. However, Owner agrees that prior to the issuance of Bonds for either of the Improvement Areas, Owner shall not initiate any additional public debt (such as, but not limited to, assessment districts or community facilities districts) to be placed on the Property which would result in the Special Taxes in each category of “Developed Property”, as specified in the applicable RMA, together with general property taxes and assessments, exceeding two percent (2%) of the greater of (a) the average appraised value of all DUs located within the applicable Improvement Area or (b) the average sales prices for all DUs sold within the preceding twelve (12) months within the applicable Improvement Area.

12. Sale of Bonds. The proceeds from each sale of Bonds for each Improvement Area shall be deposited into an improvement fund (or accounts therein) and disbursed pursuant to the indenture or fiscal agent agreement pursuant to which the Bonds are issued (“Indenture”) for eligible School Facilities (“School Facilities Account”) and eligible Other Public Facilities (“Public Facilities Account”). It is anticipated that Bonds may be issued in multiple series for each of the Improvement Areas and the Bond proceeds from each series of Bonds for each of the Improvement Areas shall be applied as follows:

(a) First Priority: To pay for costs of issuing the Bonds such as bond counsel fees, other legal fees or costs (including, but not limited to, disclosure counsel fees and fees of general legal counsel), appraisal fees, costs of municipal (financial) advisor, and reimbursement to Owner for the Owner Deposits, provided there are sufficient proceeds of Bonds to fully satisfy funding the Second, Third, Fourth and Fifth Priority.

(b) Second Priority: To fund a “Reserve Fund” in an amount set out in Section 14(d).

(c) Third Priority: To gross fund capitalized interest on the Bonds for a period up to eighteen (18) months, or such lesser term requested by Owner and approved by District and CFD No. 2021-1.

(d) Fourth Priority: To deposit into an administrative expense fund for the applicable Improvement Area the sum of Thirty Thousand Dollars (\$30,000) for administration of the CFD.

(e) Fifth Priority: To deposit into the School Facilities Account an amount equal to the Mitigation Amount at the time of issuance of the Bonds for all DUs in the Improvement Area for which the Bonds have been sized and not previously funded through a prior Bond issuance.

(f) Sixth Priority: To deposit into the Castaic District Account to fund the Elementary and Middle School Facilities an amount up to Five Thousand Dollars (\$5,000) less

than the amount deposited in the School Facilities Account pursuant to Section 12(e) herein, not to exceed the maximum amount permitted by the Castaic District JCFA.

(g) Seventh Priority: To deposit into the Water District Account to fund the Water Facilities an amount up to Five Thousand Dollars (\$5,000) less than the amount deposited in the School Facilities Account pursuant to Section 12(e) herein, not to exceed the maximum amount permitted by the Water District JCFA.

(h) Eighth Priority: To deposit into the Sanitation District Account to fund the Sanitation Facilities an amount up to Five Thousand Dollars (\$5,000) less than the amount deposited in the School Facilities Account pursuant to Section 12(e) herein, not to exceed the maximum amount permitted by the Sanitation District JCFA.

(i) Ninth Priority: To deposit into the School Facilities Account all remaining funds from the proceeds of Bonds for the applicable Improvement Area.

13. Rate and Method of Apportionment. Owner and District agree that the RMA for each Improvement Area of CFD No. 2021-1 shall be as set forth in Exhibit "C," with such changes as may be agreed upon by Owner and District as permitted by the Act. In the event Owner requests a reduction in the Special Tax rates, such request shall occur, if at all, in accordance with the Act and provided that all costs associated with such change proceeding(s) shall be paid by Owner and such shall not affect the then-current Mitigation Amount for the District. Any such reduction(s) must occur prior to the issuance of the first series of Bonds for the applicable Improvement Area of CFD No. 2021-1.

14. Issuance of Bonds. The amount of the Bonds anticipated to be issued by each Improvement Area of CFD No. 2021-1 shall be sized in the maximum amount such that the projected Assigned Annual Special Taxes (as defined in the RMA) less annual administrative expenses shall provide one hundred ten percent (110%) coverage on the expected annual debt service payments of the Bonds, within the limits imposed by the CFD Goals and Policies and applicable law as reasonably determined by District consistent with the following terms:

(a) It is anticipated there will be one or more series of Bonds issued for each of the Improvement Areas. The term for each series of the Bonds shall be no more than thirty-one (31) years and no less than thirty (30) years, or the remaining term of the Special Taxes, whichever is less.

(b) Debt service on the Bonds shall increase each year by approximately the same percentage of any annual increase in the rates of the Special Taxes.

(c) Capitalized interest on the Bonds shall be gross funded for a term of up to eighteen (18) months or such lesser term requested by Owner and approved by District and CFD No. 2021-1.

(d) Issuance costs shall be consistent with sound municipal finance practices and the CFD Goals and Policies.

(e) The Reserve Fund shall be funded in an amount not to exceed the lesser of:
(i) ten percent (10%) of the proceeds of the issue,” within the meaning of Section 148 of the Internal Revenue Code of 1986, with respect to the series of the Bonds; (ii) maximum annual debt service for the series of the Bonds; and (iii) one hundred twenty-five percent (125%) of the average annual debt service for the Bonds, all as to be further set forth in the applicable Indenture.

(f) Interest earnings on the funds in the School Facilities Account shall remain in such account until such time as there are no further School Facilities authorized to be funded. Thereafter, any remaining amounts are to be transferred to redeem or to pay debt service on the corresponding series of Bonds, as further described in the Indenture.

(g) Establishment of Funds:

(i) Reserve Fund: A portion of the proceeds from the sale of each series of Bonds shall be applied to fund a reserve fund (“Reserve Fund”) in an amount equal to the “Reserve Fund Requirement”, as defined in the applicable Indenture. The Reserve Fund Requirement for a particular series of Bonds may be satisfied through a reserve account deposit under an existing Reserve Fund as CFD No. 2021-1 may determine. Each Fiscal Year, interest earnings on the Reserve Fund(s), in excess of any amount required to replenish the Reserve Fund Requirement, shall be used to make debt service payments on the Bonds.

(ii) School Facilities Account: The proceeds from the sale of Bonds apportioned to satisfy the applicable Mitigation Amount for the District shall be held in the School Facilities Account established by the Indenture. Interest earnings from the School Facilities Account shall be held within that Account and shall be available for funding School Facilities.

(iii) Water Facilities Account: The proceeds from the sale of Bonds apportioned to fund Water Facilities shall be held in a fund(s) or account(s) established by the Indenture (“Water Facilities Account”). The requirements for funding the Water Facilities through the CFD are set forth in Exhibit “E” to this Agreement. Neither the School District nor CFD No. 2021-1 shall have any responsibility for determining the compliance with the requirements, process for the acquisition or whether such requirements are in compliance with the law or any applicable regulation. Interest earnings from the Water Facilities Account shall be held within that Fund and available for funding Water Facilities costs. Water Facilities costs shall be paid upon the written request of an Owner or the Water District in the format specified in Exhibit “E” to this Agreement. Neither the School District nor CFD No. 2021-1 shall have any responsibility to pay Water Facilities costs from any source other than the proceeds of the Bonds, which have been allocated to the payment of the Water Facilities costs in accordance with this Agreement. In the event there are any funds left in the Water Facilities Account on the date that is the later of (i) twelve (12) months after the last certificate of occupancy has been issued within the Project or (ii) twelve (12) months following the issuance of the series of Bonds of the Improvement Area that is sized based upon expected build-out of the Improvement Area, the remaining funds and interest earnings shall be transferred to the School Facilities Account to fund School Facilities. Notwithstanding the foregoing sentence, the Indenture shall include provisions to the effect that upon a date which is approximately 30 months after the date of the delivery of the Bonds (and subject to the Fiscal Agent providing to the Owner and the School District at least ten (10) Business Days prior written notice), any funds then remaining in the Water Facilities Account shall be

transferred: (i) to make up any then-existing deficiency in the Reserve Fund; and thereafter (ii) to the School Facilities Account unless the Owner identifies to the Fiscal Agent and the School District, in writing, prior to such designated transfer date, the specific residential unit(s) and tract(s) for which any then-remaining payment(s) from funds within the Water Facilities Account will be requested or identify the Water Facilities to be paid and/or the amount of such Water Facilities costs that Owner will seek payment for within a period of not greater than 33 months after the date of the issuance of Bonds (in which event funds needed to make such payment(s) shall be retained in the Water Facilities Account and all then-remaining funds shall at that time be transferred in accordance herewith and the terms of the Indenture).

(iv) Sanitation Facilities Account: The proceeds from the sale of Bonds apportioned to fund Sanitation Facilities shall be held in a fund(s) or account(s) established by the Indenture ("Sanitation Facilities Account"). Interest earnings from the Sanitation Facilities Account shall be held within that Fund and available for funding Sanitation Facilities costs. Sanitation Facilities costs shall be paid upon the written request of an Owner or the Sanitation District in a format specified in the Sanitation District JCFA. Neither the School District nor CFD No. 2021-1 shall have any responsibility to pay Sanitation Facilities costs from any source other than the proceeds of the Bonds, which have been allocated to the payment of the Sanitation Facilities costs in accordance with this Agreement. In the event there are any funds left in the Sanitation Facilities Account on the date that is the later of (i) twelve (12) months after the last certificate of occupancy has been issued within the Project or (ii) twelve (12) months following the issuance of the series of Bonds of the Improvement Area that is sized based upon expected build-out of the Improvement Area, the remaining funds and interest earnings shall be transferred to the School Facilities Account to fund School Facilities. Notwithstanding the foregoing sentence, the Indenture shall include provisions to the effect that upon a date which is approximately 30 months after the date of the delivery of the Bonds (and subject to the Fiscal Agent providing to the Owner and the School District at least ten (10) Business Days prior written notice), any funds then remaining in the Sanitation Facilities Account shall be transferred: (i) to make up any then-existing deficiency in the Reserve Fund; and thereafter (ii) to the School Facilities Account unless the Owner identifies to the Fiscal Agent and the School District, in writing, prior to such designated transfer date, the specific residential unit(s) and tract(s) for which any then-remaining payment(s) from funds within the Sanitation Facilities Account will be requested and identify the Sanitation Facilities to be paid and/or the amount of such Sanitation Facilities costs that Owner will seek payment for within a period of not greater than 33 months after the date of the issuance of Bonds (in which event funds needed to make such payment(s) shall be retained in the Sanitation Facilities Account and all then-remaining funds shall at that time be transferred in accordance herewith and the terms of the Indenture).

(v) Elementary and Middle School Account: The proceeds of sale of the Bonds apportioned to fund Elementary and Middle School Facilities shall be held in a fund(s) or account(s) established by the Indenture ("Castaic District Account") (The Castaic District Account, the Water Facilities Account and the Sanitation District Account are collectively referred to as the "Other Public Facilities Account(s)"). Interest earnings from the Castaic District Account shall be held within that Account and available for funding Elementary and Middle School Facilities costs. Elementary and Middle School Facilities costs shall be paid upon the written request of an Owner or Castaic District in a format specified in the Castaic District JCFA. Neither

the School District nor CFD No. 2021-1 shall have any responsibility to pay Elementary and Middle School costs from any source other than the proceeds of the Bonds, which have been allocated to the payment of the Elementary and Middle School costs in accordance with this Agreement. In the event there are any funds left in the Castaic District Account on the date that is the later of (i) twelve (12) months after the last certificate of occupancy has been issued within the Project or (ii) twelve (12) months following the issuance of the series of Bonds of the Improvement Area that is sized based upon expected build-out of the Improvement Area, the remaining funds and interest earnings shall be transferred to the School Facilities Account to fund School Facilities. Notwithstanding the foregoing sentence, the Fiscal Agent Agreement shall include provisions to the effect that upon a date which is approximately 30 months after the date of the delivery of the Bonds (and subject to the Fiscal Agent providing to the Owner and the School District at least ten (10) Business Days prior written notice), any funds then remaining in the Castaic District Account shall be transferred: (i) to make up any then-existing deficiency in the Reserve Fund; and thereafter (ii) to the School Facilities Account unless the Owner identifies to the Fiscal Agent and the School District, in writing, prior to such designated transfer date, the specific residential unit(s) and tract(s) for which any then-remaining payment(s) from funds within the Castaic District Account will be requested and identify the Middle School to be paid and/or the amount of each Middle School costs that Owner will seek payment for within a period of not greater than 33 months after the date of the issuance of Bonds (in which event funds needed to make such payment(s) shall be retained in the Castaic District Account and all then-remaining funds shall at that time be transferred in accordance herewith and the terms of the Indenture).

(vi) Cost of Issuance Fund: The proceeds of Bonds apportioned to pay the costs of issuing the Bonds and forming CFD No. 2021-1, if applicable, shall be held in a fund(s) or account(s) established by the corresponding Indenture (each a "Cost of Issuance Fund"). Interest earnings from the Cost of Issuance Fund shall be held within that fund and available to pay the costs of issuing the corresponding series of Bonds and forming CFD No. 2021-1 (as applicable). Any proceeds remaining in the Cost of Issuance Fund not needed to pay the costs associated with the formation of CFD No. 2021-1, if applicable, or the issuance of the corresponding series of Bonds shall be allocated pursuant to priorities (e) through (i) of Section 12.

(h) The Special Taxes of each Improvement Area shall have a term of thirty-three (33) fiscal years following the issuance of the last series of Bonds as further described in the applicable RMA. In no event shall the term of any of the Special Taxes go beyond fiscal year 2062/2063. The Special Taxes shall escalate at two percent (2%) per annum from and after July 1, 2022. The Assigned Special Tax rates (as defined in each RMA) are as set forth in each RMA set out in Exhibit "C." These amounts have been estimated so that together with overlapping general property taxes and assessments such total amount does not exceed two percent (2%) of the average estimated base sales price of all DUs in the Project as represented by Owner and assumed by District at the time of formation of CFD No. 2021-1.

(i) The estimated administrative expense amount for each Improvement Area for purposes of setting the Special Tax rates as set forth in the RMA in Exhibit "C" is specified as Thirty Thousand Dollars (\$30,000.00) for each of the Improvement Areas for fiscal year 2021-22, which amount is expected to escalate at two percent (2%) each fiscal year thereafter.

(j) Net debt service coverage, after setting aside the amount necessary for administrative expenses, for purposes of sizing the issuance of each series of Bonds is agreed to be one hundred and ten percent (110%).

(k) Owner acknowledges and agrees that within fourteen (14) business days following the last to occur of (i) the initial kick-off call regarding the issuance of any series of Bonds that are expected to finance Water Facilities or (ii) Bond counsel's distribution to Owner of the certificates, including certificates as to factual matters, as may be required by Bond counsel in order to issue such series of Bonds as federally tax-exempt securities, Owner shall inform the District whether the Water District shall provide the above-referenced certificates (and/or certifications) to issue such series of Bonds on such basis. If Owner does not respond in the affirmative within such fourteen (14) business days, all relevant parties to the Bond issuance shall thereupon presume that the portion of the series of Bonds to be allocated to finance Water Facilities shall be issued on a federally taxable basis. Such cost and expense of issuing Bonds on a federally-taxable basis shall be allocated pursuant to the First Priority.

15. Applicable Other Public Facilities Account(s). District shall fund the applicable Other Public Facilities Account(s) only after first depositing in the School Facilities Account the funds as specified in Section 12(e) above once the Bonds are issued for the applicable Improvement Area. Funds, to the extent available from Bond proceeds of a particular Improvement Area, for the Other Public Facilities for such Improvement Area shall be held in the applicable Other Public Facilities Account, designated for the benefit of the Project and authorized by the JCFA, which shall be established with the Trustee or Fiscal Agent ("Trustee") for the applicable series of Bonds. Neither District nor CFD No. 2021-1 shall have any responsibility to fund Other Public Facilities from any source other than the proceeds of the Bonds which have been allocated to the applicable Other Public Facilities Account as herein provided. Owner hereby jointly and severally agrees to indemnify the District, CFD No. 2021-1, the Trustee, as well as all officers, employees or agents thereof (collectively, "Indemnitees"), as to any claim asserted by any person or concern as to any and all matters pertaining to any funds provided to applicable public agencies for applicable Other Public Facilities or the use thereof by the applicable public agency, including all costs, awards, if any, and attorneys' fees of the Indemnitees; except to the extent such claims are caused by the gross negligence or willful misconduct of any such indemnified party.

16. Security for Payment of Special Taxes. In the event Bonds for an Improvement Area are issued and sold prior to sixty percent (60%) of the DUs within the Improvement Area for which the Bonds are sized, being occupied by individual homeowners, Owner, or its successors or assigns of the Project (other than individual homeowners), shall deliver to the District, or the Trustee, security for payment of one year's Special Taxes in the form of a letter of credit ("LOC") or a cash deposit. The LOC, which may be one or more LOC(s), shall be issued by a bank acceptable to the District in its sole discretion ("LOC Bank"). The form of the letter of credit shall in all respects be satisfactory to and approved by counsel to the District. The LOC shall be an amount equal to the total of the Special Taxes projected to be levied on all of the lots and parcels in the applicable Improvement Area owned by Owner, or its successors or assigns (other than individual homeowners), for which such series of Bonds are being sized. The LOC(s) shall name the District or Trustee as the beneficiary as the case may be, who may draw thereon, up to the full amount thereof, in the amount of any delinquencies in the payment of semi-annual installments of the Special Taxes levied on lots or parcels within the Improvement Area for which the LOC has

been provided. The LOC shall be renewed annually by the issuing LOC Bank or a substitute LOC Bank acceptable to District at least forty-five (45) days prior to its expiration until such time as sixty percent (60%) of the number of all the lots and parcels within the Improvement Area, upon which the Bonds were sized, are owned by individual homeowners. Each such LOC shall provide that until such condition is satisfied, the amount thereof shall be recalculated on or about May 1st of each year, commencing the first May 1 following issuance of the Bonds, and such calculations provided to the District and the Trustee by the District's special tax consultant, on or by each subsequent August 1. The LOC(s) shall further provide that (i) the failure of the LOC Bank to renew the LOC within thirty (30) days prior to expiration, until such condition is satisfied, will enable District or Trustee, as the case may be, to draw upon the full amount thereof, and (ii) if the rating of the long-term unsecured obligations of the LOC Bank has been reduced to less than "A3" by Moody's or to less than "A-" by S&P ("Rating Downgrade"), the District or Trustee, as the case may be, shall be entitled to draw upon the full amount of the LOC. If District or Trustee draws any amount under an LOC, except upon the failure of the issuing LOC Bank to renew it, and except upon a Rating Downgrade, District or Trustee, as the case may be, shall reimburse the amount drawn to the LOC Bank without interest or penalties levied by the County Treasurer-Tax Collector, from the delinquent Special Tax installments as to the applicable lots and parcels within the Project with respect to which any such amount is drawn when and if such installments are paid by the proceeds of foreclosure of the applicable Property as a result of such delinquency.

As an alternative to the LOC(s) described in this Section, Owner, or its successors and assigns, at its sole discretion, may deposit cash as security for the payment of Special Taxes levied on all lots and parcels within the Project which are owned by Owner, or its successors or assigns. The provisions of this Section with respect to the amount of the LOC(s) and preconditions for drawing upon, annually renewing, reducing on an annual basis, terminating, and substituting such LOC(s), shall apply in similar fashion to any such cash deposit. A cash deposit shall be held by District or by the Trustee under the applicable Indenture, in a discrete, interest bearing account and all earnings thereon shall be remitted to Owner who made the deposit semi-annually.

District shall make a good faith effort to give Owner, or its successor(s) or assign(s) that have provided an LOC or cash deposit at least fifteen (15) days prior notice before District draws upon, or instructs the Trustee to draw upon, the applicable security of Owner. However, the failure by District to provide such notice shall not prevent draws upon such security to the extent required by the documents providing for the issuance of the Bonds.

17. Residual Special Tax Revenues. With respect to the Special Taxes of the Improvement Areas of CFD No. 2021-1, the Parties agree as follows:

(a) Prior to the issuance and delivery of Bonds, any Special Taxes collected within the Improvement Areas of CFD No. 2021-1, after deduction of Special Tax revenues allocated to CFD No. 2021-1's administrative expense budget, shall be made available to fund the School Facilities.

(b) In any year after the issuance of Bonds in which the District determines that (i) Special Tax revenues generated from CFD No. 2021-1 exceed the amount pledged to (a) pay debt service on the outstanding Bonds, and/or (b) cover the administrative expenses of CFD No. 2021-1, and (ii) no Special Taxes are being levied on Approved Property, Undeveloped Property

or Provisional Undeveloped Property, as defined in the RMA, in CFD No. 2021-1, all such Special Tax revenues, if any, shall, notwithstanding any other provisions of this Section 17, be made available to CFD No. 2021-1 for funding of School Facilities.

(c) The Special Tax revenues described in subsections (a) and (b), above, are collectively referred to herein as “Residual Special Taxes.”

18. Disclosure of Special Taxes and Indemnification. Owner shall comply with all applicable legal requirements for disclosure to private, individual homebuyers and other parties purchasing any applicable portion of the Project as to CFD No. 2021-1 and the applicable Special Taxes, including, but not limited to Government Code Section 53341.5. In any and all purchase agreements pursuant to which Owner may sell all or a portion of the Project to any residential merchant builder, Owner shall require that the residential merchant builder similarly comply with all such applicable legal requirements. Owner hereby agrees that they shall assign to District whatever rights Owner may acquire pursuant to such agreements as to a residential merchant builder indemnifying, defending and holding Owner harmless with respect to any deficiency in, or the adequacy of, any such disclosure, or in the making of or failure to make any such disclosure.

Owner shall defend, indemnify and hold-harmless District as well as CFD No. 2021-1, and each of its officers, employees and agents from and against any and all actions, damages, claims, losses, expenses or liability arising from, or related to, any deficiency in, the adequacy of, or the making of or failure to make any disclosure required pursuant to these provisions. In any and all agreements pursuant to which Owner may sell all or a portion of the Project to any residential merchant builder, Owner shall require that the residential merchant builder agree to defend, indemnify and hold-harmless District, CFD No. 2021-1 and each of their respective officers, employees and agents to the extent set forth in these provisions.

19. Assignability of Mitigation Agreement. Nothing in this Mitigation Agreement shall in any way limit the right or ability of Owner to transfer, assign, encumber, or hypothecate in any way without the consent of District or CFD No. 2021-1, provided that: (i) the District and CFD No. 2021-1 are provided written notice of the transfer within ten (10) calendar days; and (ii) the transferee expressly assumes in writing all applicable executory obligations under this Mitigation Agreement and the JCFA's, if any, with respect to the portion of the Project transferred. If these conditions are met, District and CFD No. 2021-1 agree to look solely to the transferee for performance of the assignor's obligations under this Mitigation Agreement and the JCFA's, if any. If Owner assigns the right to receive reimbursement of any specified portion of the Deposits, COC Deposits or amounts provide for in the JCFA's, if any, the specific lots or parcels within the applicable portion of the Project to which the reimbursement applies shall be specified in any written assignment together with the amount of such reimbursement so assigned. Whenever this Mitigation Agreement provides Owner with a right that right may be exercised by an assignee of that right to the same extent that Owner could have exercised that right by themselves.

20. Binding on Successors; No Third Party Beneficiaries. This Mitigation Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto. This Mitigation Agreement is entered into solely for the benefit of the Parties and the successors, transferees and assigns of all Parties. Other than District and Owner and its successors, transferees and assigns, no owner of an individual DU in CFD No. 2021-1 or other third person shall be

entitled, directly or indirectly, to base any claim or to have any right arising from, or related to, this Mitigation Agreement or the JCFA's. This Mitigation Agreement shall automatically terminate, and shall be of no further force and effect, with respect to a parcel or lot within the boundaries of CFD No. 2021-1, without the requirement of recordation or execution of any additional instrument, upon the conveyance of such parcel or lot to a "homeowner".

21. Entire Agreement. This Mitigation Agreement contains the entire agreement and understanding concerning the funding of School Facilities to house students generated by the development of the Project and supersedes and replaces all prior negotiations and proposed agreements, written and oral, except as they are incorporated into this Mitigation Agreement. The Parties acknowledge that neither the other Party nor its agents nor attorneys have made any promise, representation or warranty whatsoever express or implied, not contained herein to induce the execution

22. Amendments Must Be In Writing. This Mitigation Agreement may not be amended, except by a writing signed by all of the Parties.

23. Interpretation Guides. In interpreting this Mitigation Agreement, it shall be deemed that it was prepared by the Parties jointly and no ambiguity shall be resolved against either Party on the premise that it or its attorneys were responsible for drafting this Mitigation Agreement or any provision thereof. Headings used in this Mitigation Agreement are for convenience and ease of reference only and are not intended nor may be construed as a guide to interpret any provision of this Mitigation Agreement.

24. Due Authority of Signatories to Execute Agreement. Each individual signing this Mitigation Agreement warrants and represents that he or she has been authorized by appropriate action of the Party which he or she represents to enter into this Mitigation Agreement on behalf of the Party.

25. Notices. 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:

To District:

William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Fax No.: (_____)_____
Attn: Chief Business Official

Community Facilities District No. 2008-1 of the
William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Fax No.: (_____)_____
Attn: Chief Business Official

With a copy to:

Atkinson, Andelson, Loya, Ruud & Romo
20 Pacifica, Suite 1100
Irvine, CA 92618
Fax No.: (949) 453-4262
Attn: Wendy H. Wiles, Esq.

To Owner:

WH Castaic 497 LLC
21080 Centre Pointe Parkway
Santa Clarita, CA 91350
Fax No.: _____
Attn: Scott Ouellette

With a copy to:

O'Neil LLP
19900 MacArthur Blvd., Suite 1050
Irvine, CA 92612
Fax No.: (949) 798-0511
Attn: John Yeager, Esq.

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, (c) if given by electronic communication, whether by email or telecopier upon the sender's receipt of an appropriate answer back or other written acknowledgement from the addressee of successful transmission, or (d) or (c) if given by any other means, upon delivery at the address specified in this Section.

If notice is given by electronic communication, whether by email or telecopier, notice shall be deemed delivered upon obtaining the then-current addressee's email address or telecopier, and upon the sender's receipt of an appropriate answer back or other written acknowledgement from the addressee of successful transmission.

26. 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 in the Project, Owner, its successors, assigns, or third parties shall not be entitled to any portion of the State funds nor any refund or reduction in Special Taxes as a result of such State funds.

27. SB 165 Disclosure. The Parties recognize that California SB 165, Chapter 535 of the Statutes of 2000, effective on January 1, 2001, provides disclosure and reporting requirements for any local bond measure that is subject to voter approval and which would provide for the sale of the Bonds by a local agency. Owner agrees to fully and completely cooperate with District and CFD No. 2021-1 in meeting the requirements of SB 165.

28. Bond Disclosure Requirements; Continuing Disclosure. Owner acknowledges and agrees that Owner and any other owner of property within CFD No. 2021-1 that has not reached its planned development stage of the construction of the DU's anticipated to be constructed by such owner in CFD No. 2021-1 or that owns taxable property within CFD No. 2021-1 responsible for ten percent (10%) or more of annual debt service on the Bonds will be required to provide for inclusion in the official statement or other offering materials distributed in connection with the offering and sale of such Bonds such reasonable and customary information available to such owner as may be required for the District and CFD No. 2021-1 and any underwriter of the Bonds to comply with, satisfy any requirement of, or avoid any liability under, any applicable federal or State securities laws. Owner shall also cooperate with District and CFD No. 2021-1 and any underwriter of the Bonds in complying with Rule 15c2-12 of the Securities and Exchange Commission with the issuance and sale of the Bonds so long as Owner is an "obligated person" under such Rule 15c2-12, which may require the Owner, or other owners of property within CFD No. 2021-1, constituting an "obligated person" to provide such information on an ongoing basis as may be required by such Rule 15c2-12.

29. No Termination Due To Change In Law. The Parties intend that this Agreement shall provide for the complete mitigation of all impacts, direct and cumulative, from development of the Property on the School District's ability to provide adequate educational opportunities to every student within the School District's boundaries. No development or change in the development of the Property, nor 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. The provisions of this Agreement shall not be affected by: (a) any existing applicable law; (b) any subsequent legislation enacted by the State acting through the legislative or initiative process; or (c) any subsequent judicial decisions related to the matters provided for in this Agreement.

30. California Law Governs Mitigation Agreement. This Mitigation Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.

31. Cooperation. The Parties hereto agree to cooperate with each other in the execution of such further documents, and to take such other actions, as are reasonably necessary in good faith, to effectuate this Agreement and the intent hereof.

32. Due Authority of Signatories to Execute Agreement. Each individual signing this Agreement warrants and represents that he or she has been authorized by appropriate action of the Party which he or she represents to enter into this Agreement on behalf of such Party

33. Agreement to Run with the Land. It is the intention and agreement of the Parties hereto, and subject to the terms hereof, that this Agreement shall run with the land set out herein as the Property and shall not be severed therefrom.

34. Recordation. Upon execution hereof, this Agreement may be recorded by District. All Parties agree to take all reasonable and necessary actions to effectuate this Section.

35. Counterparts. This Mitigation Agreement may be signed in one or more counterparts which, taken together, shall constitute one original document.

36. Exhibits. All Exhibits attached hereto are incorporated into this Mitigation Agreement.

37. Captions. The captions contained within this Mitigation Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof.

[Remainder of page intentionally left blank.]

38. Subordination of Existing Debt. Any existing debt on the Property shall be subordinated of record to this Mitigation Agreement within fourteen (14) calendar days of its execution by the Parties and prior to the issuance of any Certificates of Compliance for the Project.

IN WITNESS WHEREOF, this Mitigation Agreement is agreed and entered into as of the date first written above.

[Please have all signatures notarized]

WH CASTAIC 497 LLC, a Delaware
limited liability company

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

O'Neil, LLP

Legal Counsel to WH Castaic 497 LLC

By: _____

John Yeager, Esq.

WILLIAM S. HART UNION HIGH SCHOOL
DISTRICT, a California public school district

By: _____

Mr. Joe Messina
Clerk, Governing Board of the William
S. Hart Union High School District

COMMUNITY FACILITIES DISTRICT NO.
2008-1 OF THE WILLIAM S. HART UNION
HIGH SCHOOL DISTRICT,

By: _____

Mr. Joe Messina
Clerk, Governing Board of the William
S. Hart Union High School District,
Acting on Behalf of Community
Facilities District No. 2008-1

APPROVED AS TO FORM:
Atkinson, Andelson, Loya, Ruud & Romo,
Legal Counsel to the William S. Hart Union
High School District

By: _____
Wendy H. Wiles

STATE OF CALIFORNIA)
)
COUNTY OF _____)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Notary Public Signature

006140.0006530
442648.16 #202247 v2 9226.2

STATE OF CALIFORNIA)
)
COUNTY OF _____)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Notary Public Signature

006140.0006530
442648.16 #202247 v2 9226.2

EXHIBIT "A"
LEGAL DESCRIPTION

COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Tract Map No. 52584

<u>County of Los Angeles</u> <u>Assessor Parcel Nos.</u>	<u>Improvement</u> <u>Area</u>
2866-062-036	B
3247-032-057	A & B
2866-064-001	A
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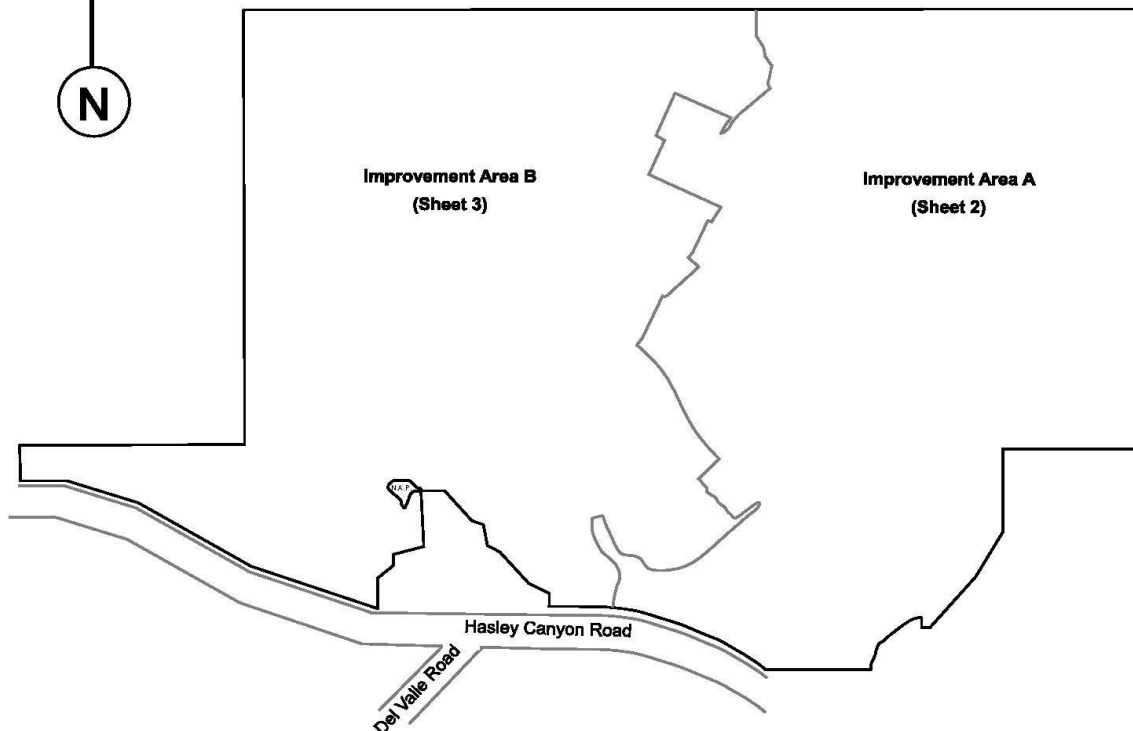
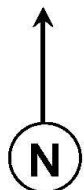
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2866-066-055	A
2866-066-056	A
2866-066-057	A
2866-066-058	A
2866-066-059	A
2866-066-060	A
2866-066-061	A
2866-066-062	A
2866-066-063	A
2866-067-001	A
2866-067-002	A
2866-067-003	A
2866-067-004	A
2866-067-005	A
2866-067-006	A
2866-067-007	A
2866-067-008	A
2866-067-009	A
2866-067-014	A
2866-067-015	A
2866-067-022	A
2866-067-023	A
2866-067-024	A
2866-067-025	A
2866-067-902	A
2866-068-001	A
2866-068-002	A
2866-068-003	A
2866-068-004	A
2866-068-005	A
2866-068-006	A
2866-068-007	A

2866-068-008	A
2866-068-009	A
2866-068-010	A
2866-068-011	A
2866-068-012	A
2866-068-017	A
2866-068-018	A
2866-068-019	A
2866-068-020	A
2866-068-021	A
2866-068-022	A
2866-068-023	A
2866-068-024	A
2866-068-027	A
2866-068-030	A
2866-068-031	A
2866-068-032	A
2866-068-033	A
2866-068-034	A
2866-068-035	A
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2866-068-038	A
2866-068-039	A
2866-068-040	A
2866-068-041	A
2866-068-042	A
2866-068-043	A
2866-068-046	A
2866-068-049	A
2866-068-050	A
2866-068-051	A
2866-068-052	A
2866-068-053	A
2866-068-054	A
2866-069-001	A
2866-069-002	A
2866-069-003	A
2866-069-004	A
2866-069-009	A
2866-069-010	A
2866-069-011	A


EXHIBIT “B”
DEPICTION OF TRACT MAP 52584

SHEET 1 OF 3

PROPOSED BOUNDARIES OF
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-1
LOS ANGELES COUNTY
STATE OF CALIFORNIA



LEGEND

	Boundaries of Community Facilities District No. 2021-1
	Boundaries of Improvement Areas (See Sheets 2 and 3)
N.A.P.	Not a Part of Community Facilities District No. 2021-1

Prepared by:
California Financial Services

(1) Filed in the office of the Clerk of the Governing Board of the William S. Hart Union High School District this ____ day of _____, 20__

_____, Clerk of the Governing Board,
William S. Hart Union High School District,
State of California

(2) I hereby certify that the within map showing the proposed boundaries of Community Facilities District No. 2021-1 of the William S. Hart Union High School District, Los Angeles County, State of California, was approved by the Governing Board of the William S. Hart Union High School District at the regular meeting thereof, held on this ____ day of _____, 20__ by its Resolution No. _____.

_____, Clerk of the Governing Board,
William S. Hart Union High School District,
State of California

(3) FILED AT THE REQUEST OF WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, THIS ____ DAY OF _____, 20__, AT _____ M. IN BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) ____ OF AND AS INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, STATE OF CALIFORNIA.

LOS ANGELES COUNTY
REGISTRAR — RECORDER

BY: _____
DEPUTY RECORDER

Reference is hereby made to the Assessor maps of the County of Los Angeles for an exact description of the lines and dimensions of each lot and parcel.

PROPOSED BOUNDARIES OF
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-1
LOS ANGELES COUNTY
STATE OF CALIFORNIA

Reference is hereby made to the Assessor maps of the County of Los Angeles as of December 2020 for an exact description of the lines and dimensions of each lot and parcel.

LEGAL DESCRIPTION OF IMPROVEMENT AREA A OF COMMUNITY FACILITIES DISTRICT NO. 2021-1

ASSESSOR'S PARCEL NUMBERS 2866-062-033 AND THE PORTIONS OF ASSESSOR'S PARCEL NUMBERS 3247-032-052 AND 2866-062-032 BEING:

ALL OF TRACT NO. 52584-02, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS FILED IN BOOK 1424 PAGES 62 THROUGH 91, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, AS SHOWN ON MAP OF TRACT NO. 52584-01 FILED IN BOOK 1329 PAGES 53 THROUGH 68, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT NORTHWEST CORNER OF LOT 5, SAID SECTION 2, AS SHOWN ON SAID MAP OF TRACT NO. 52584-01;

THENCE ALONG THE WESTERLY LINE OF PARCEL MAP NO. 18907 FILED IN BOOK 224 PAGES 81 THROUGH 84, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, NORTH 00°17'51" EAST 2,638.99 FEET TO THE NORTHWEST CORNER OF PARCEL 1 OF SAID PARCEL MAP; THENCE ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 2, NORTH 89°53'07" WEST 1,309.76 FEET TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF SECTION 2; THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 2, NORTH 89°31'27" WEST 1,235.45 FEET; THENCE LEAVING SAID NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 2, SOUTH 00°28'30" WEST 153.80 FEET; THENCE SOUTH 48°35'52" EAST 16.48 FEET; THENCE SOUTH 21°25'55" EAST 10.86 FEET; THENCE SOUTH 32°48'24" EAST 43.70 FEET; THENCE SOUTH 13°28'23" EAST 61.99 FEET; THENCE SOUTH 31°55'54" EAST 67.04 FEET; THENCE SOUTH 09°32'35" WEST 89.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 37.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 61°24'18" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73°19'18" AN ARC DISTANCE OF 47.35 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 44°43'36" EAST 6.78 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 580.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 43°32'28" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°58'32" AN ARC DISTANCE OF 40.24 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 50°26'04" WEST 165.15 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22°51'34" AN ARC DISTANCE OF 147.62 FEET; THENCE NORTH 64°01'30" WEST 6.14 FEET; THENCE SOUTH 25°58'30" WEST 16.36 FEET; THENCE SOUTH 75°04'09" WEST 20.47 FEET; THENCE NORTH 66°09'16" WEST 2.94 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 510.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 62°36'39" WEST; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°59'00" AN ARC DISTANCE OF 106.67 FEET; THENCE NORTH 66°09'16" WEST 324.41 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 300.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°24'04" AN ARC DISTANCE OF 28.28 FEET; THENCE SOUTH 23°50'44" WEST 170.33 FEET; THENCE SOUTH 66°09'16" EAST 2.87 FEET; THENCE SOUTH 23°50'44" WEST 105.00 FEET; THENCE SOUTH 66°09'16" EAST 53.00 FEET; THENCE SOUTH 23°50'44" WEST 223.53 FEET; THENCE SOUTH 65°19'22" EAST 419.58 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°45'26" AN ARC DISTANCE OF 37.18 FEET; THENCE SOUTH 32°23'45" WEST 104.08 FEET; THENCE NORTH 65°19'22" WEST 19.75 FEET; THENCE SOUTH 24°40'38" WEST 189.17 FEET; THENCE SOUTH 33°47'57" WEST 60.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 270.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 33°47'57" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°06'32" AN ARC DISTANCE OF 66.49 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 42°05'31" EAST 3.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 13.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" AN ARC DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 47°54'29" WEST 233.36 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 25.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°46'09" AN ARC DISTANCE OF 29.13 FEET; THENCE TANGENT TO SAID CURVE, NORTH 65°19'22" WEST 3.29 FEET; THENCE SOUTH 24°14'42" WEST 77.76 FEET; THENCE SOUTH 24°40'38" WEST 186.31 FEET; THENCE SOUTH 36°37'25" WEST 64.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 678.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 36°37'25" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 27°36'34" AN ARC DISTANCE OF 326.71 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 25°46'01" EAST 194.64 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 732.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°10'32" AN ARC DISTANCE OF 206.66 FEET; THENCE SOUTH 41°56'33" EAST 105.81 FEET; THENCE SOUTH 48°03'27" WEST 166.00 FEET; THENCE SOUTH 41°56'33" EAST 70.00 FEET; THENCE SOUTH 09°27'42" EAST 27.22 FEET; THENCE SOUTH 52°40'32" EAST 65.59 FEET; THENCE SOUTH 20°23'56" EAST 18.04 FEET; THENCE SOUTH 50°27'30" EAST 65.14 FEET; THENCE SOUTH 16°18'40" EAST 14.31 FEET; THENCE SOUTH 47°47'50" EAST 67.76 FEET; THENCE NORTH 53°38'18" EAST 165.45 FEET; THENCE SOUTH 41°56'33" EAST 7.00 FEET; THENCE SOUTH 03°03'27" WEST 18.38 FEET; THENCE SOUTH 48°03'27" WEST 444.45 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 338.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51°43'35" AN ARC DISTANCE OF 305.14 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 72.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29°28'41" AN ARC DISTANCE OF 37.04 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 38.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°49'48" AN ARC DISTANCE OF 21.11 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 77.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 77°40'51" AN ARC DISTANCE OF 104.40 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 78.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 80°41'27" AN ARC DISTANCE OF 109.85 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°16'28" AN ARC DISTANCE OF 26.66 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 326.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°36'57" AN ARC DISTANCE OF 77.47 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°45'27" AN ARC DISTANCE OF 29.25 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 88.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22°10'13" AN ARC DISTANCE OF 34.05 FEET; THENCE TANGENT TO SAID CURVE, NORTH 12°08'38" WEST 26.36 FEET; THENCE SOUTH 77°51'22" WEST 64.00 FEET; THENCE SOUTH 12°08'38" EAST 11.49 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 88.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°04'54" AN ARC DISTANCE OF 30.84 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°32'11" AN ARC DISTANCE OF 41.08 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 414.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°34'26" AN ARC DISTANCE OF 112.53 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25°27'15" AN ARC DISTANCE OF 44.43 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°35'42" AN ARC DISTANCE OF 27.22 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 402.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°47'35" AN ARC DISTANCE OF 47.66 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 72.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°56'49" AN ARC DISTANCE OF 16.27 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE WESTERLY HAVING A RADIUS OF 38.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°49'48" AN ARC DISTANCE OF 21.11 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 77.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°53'14" AN ARC DISTANCE OF 24.04 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 45.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42°14'28" AN ARC DISTANCE OF 33.18 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 539.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22°01'15" AN ARC DISTANCE OF 207.16 FEET; THENCE SOUTH 40°12'55" WEST 35.55 FEET TO A POINT IN THE NORTHERLY LINE OF HASLEY CANYON ROAD, AS SHOWN ON SAID MAP OF TRACT NO. 52584-01; THENCE ALONG SAID NORTHERLY LINE OF HASLEY CANYON ROAD, SOUTH 89°49'23" EAST 14.42 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1,840.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 36°59'46" AN ARC DISTANCE OF 1,188.10 FEET TO A POINT IN THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 2; THENCE ALONG SAID SOUTH LINE, SOUTH 89°49'13" EAST 625.01 FEET TO A POINT IN THE WESTERLY LINE OF TRACT NO. 45084 FILED IN BOOK 1254 PAGES 12 THROUGH 39, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE WESTERLY BOUNDARY OF SAID TRACT NO. 45084, THE FOLLOWING COURSES: NORTH 00°09'00" EAST 49.18 FEET; NORTH 19°58'06" EAST 109.99 FEET; NORTH 55°47'39" EAST 259.86 FEET; SOUTH 89°31'55" EAST 50.04 FEET; SOUTH 00°31'08" WEST 68.01 FEET; SOUTH 89°25'09" EAST 27.64 FEET; NORTH 41°28'15" EAST 427.22 FEET; NORTH 29°46'35" EAST 293.00 FEET; NORTH 03°52'32" EAST 514.53 FEET TO A POINT IN THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 2; THENCE ALONG SAID SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 2, SOUTH 89°48'29" EAST 838.97 FEET TO THE POINT OF BEGINNING.

CONTAINING 229.302 ACRES, MORE OR LESS

PROPOSED BOUNDARIES OF
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-1
LOS ANGELES COUNTY
STATE OF CALIFORNIA

Reference is hereby made to the Assessor maps of the County of Los Angeles as of December 2020 for an exact description of the lines and dimensions of each lot and parcel.

LEGAL DESCRIPTION OF IMPROVEMENT AREA B OF COMMUNITY FACILITIES DISTRICT NO. 2021-1
THE PORTIONS OF ASSESSOR'S PARCEL NUMBERS 3247-032-052 AND 2866-062-032 BEING:

THOSE PORTIONS OF SECTION 2 AND SECTION 3, BOTH TOWNSHIP 4 NORTH, RANGE 17 WEST, SAN BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP OF TRACT NO. 52584-02 FILED IN BOOK 1424 PAGES 82 THROUGH 91, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 3, AS SHOWN ON SAID MAP OF TRACT NO. 52584-02;

THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 3, SOUTH 89°1749' EAST 1,324.10 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 3; THENCE ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 3, NORTH 00°02'25" WEST 2643.84 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 3; THENCE ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 3, SOUTH 89°35'19" EAST 1331.73 FEET TO THE NORTHEAST CORNER OF SAID SECTION 3; THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 2, SOUTH 00°28'30" WEST 153.80 FEET; THENCE SOUTH 48°35'52" EAST 16.46 FEET; THENCE SOUTH 21°25'55" EAST 10.86 FEET; THENCE SOUTH 32°48'24" EAST 43.70 FEET; THENCE SOUTH 13°28'23" EAST 81.89 FEET; THENCE SOUTH 31°55'54" EAST 67.04 FEET; THENCE SOUTH 09°32'35" WEST 89.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 37.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 61°24'18" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73°19'18" AN ARC DISTANCE OF 47.35 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 44°43'38" EAST 8.78 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 580.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 43°32'28" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°58'32" AN ARC DISTANCE OF 40.24 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 50°26'04" WEST 1.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22°51'34" AN ARC DISTANCE OF 147.62 FEET; THENCE NORTH 64°01'30" WEST 6.14 FEET; THENCE SOUTH 25°59'30" WEST 18.36 FEET; THENCE SOUTH 75°04'09" WEST 20.47 FEET; THENCE NORTH 88°03'18" WEST 2.94 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 510.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 82°38'59" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°59'00" AN ARC DISTANCE OF 106.87 FEET; THENCE NORTH 86°09'18" WEST 324.41 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 300.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°24'04" AN ARC DISTANCE OF 28.28 FEET; THENCE SOUTH 23°50'44" WEST 170.33 FEET; THENCE SOUTH 66°09'18" EAST 2.87 FEET; THENCE SOUTH 23°50'44" WEST 105.00 FEET; THENCE SOUTH 66°09'18" EAST 53.00 FEET; THENCE SOUTH 23°50'44" WEST 223.53 FEET; THENCE SOUTH 65°19'22" EAST 419.59 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°45'28" AN ARC DISTANCE OF 37.18 FEET; THENCE SOUTH 32°23'45" WEST 104.08 FEET; THENCE NORTH 85°19'22" WEST 19.75 FEET; THENCE SOUTH 24°40'38" WEST 189.17 FEET; THENCE SOUTH 33°47'57" WEST 80.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 270.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 33°47'57" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°08'32" AN ARC DISTANCE OF 66.48 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 42°06'31" EAST 3.88 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 13.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 80°00'00" AN ARC DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 47°54'29" WEST 233.36 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 25.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66°48'09" AN ARC DISTANCE OF 29.13 FEET; THENCE TANGENT TO SAID CURVE, NORTH 65°18'22" WEST 3.29 FEET; THENCE SOUTH 24°14'42" WEST 77.76 FEET; THENCE SOUTH 24°40'38" WEST 188.31 FEET; THENCE SOUTH 36°37'25" WEST 64.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 678.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 36°37'25" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 27°38'34" AN ARC DISTANCE OF 326.71 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 25°46'01" EAST 194.84 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 732.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°10'32" AN ARC DISTANCE OF 206.66 FEET; THENCE TANGENT TO SAID CURVE, SOUTH 41°56'33" EAST 105.81 FEET; THENCE SOUTH 48°03'27" WEST 166.00 FEET; THENCE SOUTH 41°56'33" EAST 70.00 FEET; THENCE SOUTH 09°27'42" EAST 27.22 FEET; THENCE SOUTH 52°40'32" EAST 85.59 FEET; THENCE SOUTH 20°23'56" EAST 18.04 FEET; THENCE SOUTH 50°27'30" EAST 65.14 FEET; THENCE SOUTH 16°18'40" EAST 14.31 FEET; THENCE SOUTH 47°47'50" EAST 67.78 FEET; THENCE NORTH 63°38'18" EAST 165.45 FEET; THENCE SOUTH 41°56'33" EAST 7.00 FEET; THENCE SOUTH 03°03'27" WEST 18.38 FEET; THENCE SOUTH 48°03'27" WEST 444.45 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 338.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51°43'35" AN ARC DISTANCE OF 305.14 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 72.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°28'41" AN ARC DISTANCE OF 37.04 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 38.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°49'48" AN ARC DISTANCE OF 21.11 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 77.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 77°40'51" AN ARC DISTANCE OF 104.40 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 78.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 80°41'27" AN ARC DISTANCE OF 109.85 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°16'28" AN ARC DISTANCE OF 26.66 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 326.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°35'57" AN ARC DISTANCE OF 77.47 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°45'27" AN ARC DISTANCE OF 29.25 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 88.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22°10'13" AN ARC DISTANCE OF 34.05 FEET; THENCE TANGENT TO SAID CURVE, NORTH 12°08'38" WEST 26.38 FEET; THENCE SOUTH 77°51'22" WEST 64.00 FEET; THENCE SOUTH 12°08'38" EAST 11.49 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 88.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°04'54" AN ARC DISTANCE OF 30.84 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°32'11" AN ARC DISTANCE OF 41.08 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 414.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°34'28" AN ARC DISTANCE OF 112.53 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25°27'15" AN ARC DISTANCE OF 44.43 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°35'42" AN ARC DISTANCE OF 27.22 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 402.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 08°47'35" AN ARC DISTANCE OF 47.68 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 72.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°58'49" AN ARC DISTANCE OF 16.27 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE WESTERLY HAVING A RADIUS OF 38.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 31°49'48" AN ARC DISTANCE OF 21.11 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 77.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°53'14" AN ARC DISTANCE OF 24.04 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY HAVING A RADIUS OF 45.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42°14'28" AN ARC DISTANCE OF 33.18 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 539.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22°01'15" AN ARC DISTANCE OF 207.18 FEET; THENCE SOUTH 40°11'25" WEST 35.55 FEET TO A POINT IN THE NORTHERLY LINE OF HASLEY CANYON ROAD, AS SHOWN ON SAID MAP OF TRACT NO. 52584-01; THENCE ALONG SAID NORTHERLY LINE OF HASLEY CANYON ROAD, NORTH 89°49'23" WEST 154.67 FEET; THENCE ALONG THE NORTHEASTERLY LINES OF THE LAND DESCRIBED IN DOCUMENT RECORDED MARCH 17, 2004 AS INSTRUMENT NO. 04-0634850, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND SHOWN ON SAID MAP OF TRACT NO. 52584-01, THE FOLLOWING COURSES: NORTH 00°04'14" EAST 86.31 FEET; NORTH 63°42'48" WEST 147.01 FEET; NORTH 41°35'57" WEST 241.38 FEET; NORTH 59°25'29" WEST 94.36 FEET; NORTH 11°02'47" WEST 144.56 FEET; NORTH 72°20'55" WEST 60.84 FEET; NORTH 35°32'40" WEST 147.25 FEET; NORTH 52°01'08" WEST 99.93 FEET; SOUTH 87°45'12" WEST 139.77 FEET; THENCE ALONG THE WESTERLY LINE OF LOT 59 AS SHOWN ON MAP OF TRACT NO. 52584-01 FILED IN BOOK 1329 PAGES 53 THROUGH 68, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, NORTH 06°18'57" WEST 22.14 FEET TO AN ANGLE POINT IN THE EASTERLY LINE OF LOT 62 AS SHOWN ON SAID MAP OF TRACT NO. 52584-01; THENCE ALONG THE NORTHERLY, WESTERLY AND SOUTHERLY LINES OF SAID LOT 62, THE FOLLOWING COURSES: THENCE SOUTH 80°00'00" WEST 14.47 FEET; NORTH 39°37'34" WEST 59.51 FEET; NORTH 89°57'49" WEST 101.34 FEET; SOUTH 45°01'45" WEST 44.44 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 18.00 FEET; SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 92°11'25" AN ARC DISTANCE OF 28.97 FEET; TANGENT TO SAID CURVE, SOUTH 47°11'14" EAST 74.89 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 66.00 FEET; SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38°20'48" AN ARC DISTANCE OF 41.87 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE EASTERLY HAVING A RADIUS OF 42.00 FEET; SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 21°12'03" AN ARC DISTANCE OF 15.54 FEET; TANGENT TO SAID CURVE, SOUTH 32°02'31" EAST 15.93 FEET; SOUTH 59°54'32" EAST 8.42 FEET; NORTH 90°00'00" EAST 4.20 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 265.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 81°49'05" EAST; NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°45'45" AN ARC DISTANCE OF 45.15 FEET; TANGENT TO SAID CURVE, NORTH 18°25'10" EAST 39.13 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 40.50 FEET; NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 71°34'50" AN ARC DISTANCE OF 50.80 FEET; TANGENT TO SAID CURVE, NORTH 90°00'00" EAST 20.01 FEET; THENCE ALONG THE WESTERLY LINES OF SAID INSTRUMENT NO. 04-0634850, THE FOLLOWING COURSES: SOUTH 06°10'51" EAST 339.24 FEET; SOUTH 78°09'59" WEST 190.48 FEET; SOUTH 03°38'24" WEST 98.00 FEET; SOUTH 03°38'24" WEST 223.98 FEET TO A POINT IN THE CENTERLINE OF SAID HASLEY CANYON ROAD; THENCE ALONG SAID CENTERLINE OF HASLEY CANYON ROAD, THE FOLLOWING COURSES: NORTH 70°55'21" WEST 784.30 FEET; NORTH 80°09'59" WEST 764.68 FEET; NORTH 71°19'18" WEST 436.15 FEET; SOUTH 88°07'18" WEST 280.52 FEET TO A POINT IN THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3; THENCE ALONG SAID WEST LINE OF THE SOUTHEAST QUARTER OF SECTION 3, NORTH 00°12'46" WEST 235.49 FEET TO THE POINT OF BEGINNING.

CONTAINING 199.924 ACRES, MORE OR LESS

EXHIBIT “C”

**RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES
DISTRICT NO. 2021-1 (IMPROVEMENT AREA A) OF THE WILLIAM S. HART
UNION HIGH SCHOOL DISTRICT**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF IMPROVEMENT AREA A OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels within Improvement Area ("IA") A of Community Facilities District No. 2021-1 ("CFD") of the William S. Hart Union High School District ("School District") each Fiscal Year commencing in Fiscal Year 2021/2022, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All the real property within the IA, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

SECTION A DEFINITIONS

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

"Acreage" means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of the CFD related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the CFD, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the CFD including a proportionate amount of School District general administrative overhead related thereto.

"Administrator" means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

"Annual Special Tax" means the Special Tax levied in a Fiscal Year on an Assessor's Parcel.

"Approved Property" means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Assessor's Parcel" means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the IA.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section D hereof.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E hereof.

"Board" means the Governing Board (Board of Trustees) of the School District, or its designee, acting as the Legislative Body of the CFD.

"Bond Index" means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

"Bond Yield" means, if applicable, the yield of the most recently issued series of Bonds. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

"Building Square Footage" or **"BSF"** means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the building permit(s) for such Unit.

"County" means the County of Los Angeles, California.

"CFD" means Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

"Developed Property" means all Assessor's Parcels of Taxable Property for which building permit(s) were issued for one or more Units on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels are associated with a Lot within a Final Map that was recorded prior to January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

"Exempt Property" means all Assessor's Parcels within the IA designated as being exempt from Special Taxes pursuant to Section K hereof.

"Final Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending on the following June 30.

"IA" means Improvement Area A of Community Facilities District No. 2021-1 of the School District.

"Land Use Class or Classes" means the tax classifications depicted in Table 1 for all Assessor's Parcel of Developed Property based on the Building Square Footage of the Units permitted on such Assessor's Parcel.

"Lot" means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the CFD, on behalf of the IA, in a given Fiscal Year on such Assessor's Parcel.

"Mitigation Agreement" means the Amended and Restated School Facilities Funding and Mitigation Agreement made and entered into as of August 4, 2021 by and among the School District, Community Facilities District No. 2008-1 of the School District, and WH Castaic 497, LLC, as it may be amended.

"Net Taxable Acreage" means the total Acreage of Developed Property expected to exist in the IA after all Final Maps are recorded.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section H hereof.

"Prepayment Administrative Fees" means any fees or expenses of the School District or the CFD associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section G hereof.

"Present Value of Taxes" means for any Assessor's Parcel the sum of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the present value the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 33 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section F, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K, but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K, as applicable.

"Reserve Fund Credit" means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

"School District" means the William S. Hart Union High School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

"Special Tax" means any of the special taxes authorized to be levied on Taxable Property within the IA by the CFD pursuant to the Act and this RMA.

"Special Tax Requirement" means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the CFD provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property, or Provisional Undeveloped Property as set forth in Steps Two through Four of Section F, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

"Taxable Property" means all Assessor's Parcels within the IA which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped Property.

"Unit" means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding hotel and motels.

SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2021/2022, all Assessor's Parcels within the IA shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Developed Property shall be further assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

Table 1

Land Use Classification

Land Use Class	Building Square Footage
1	≤ 1,900 sq. ft.
2	1,901 – 2,200 sq. ft.
3	2,201 – 2,500 sq. ft.
4	2,501 – 2,800 sq. ft.
5	2,801 – 3,100 sq. ft.
6	3,101 – 3,400 sq. ft.
7	3,401 – 3,900 sq. ft.
8	> 3,900 sq. ft.

SECTION C MAXIMUM SPECIAL TAX RATE

1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

3. Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

SECTION D ASSIGNED ANNUAL SPECIAL TAXES

1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

Table 2

**Fiscal Year 2021/2022
Assigned Annual Special Taxes
for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax Rate
1	≤ 1,900 sq. ft.	\$1,326.00 per Unit
2	1,901 – 2,200 sq. ft.	\$1,425.00 per Unit
3	2,201 – 2,500 sq. ft.	\$1,554.00 per Unit
4	2,501 – 2,800 sq. ft.	\$1,682.00 per Unit
5	2,801 – 3,100 sq. ft.	\$1,777.00 per Unit
6	3,101 – 3,400 sq. ft.	\$1,875.00 per Unit
7	3,401 – 3,900 sq. ft.	\$1,991.00 per Unit
8	> 3,900 sq. ft.	\$2,123.00 per Unit

2. Approved Property, Undeveloped Property and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property, or Provisional Undeveloped Property shall be \$6,524.00 per acre of Acreage, subject to increases as described below.

3. Increases in the Assigned Annual Special Tax

a. Developed Property

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

b. Approved Property, Undeveloped Property and Provisional Undeveloped Property

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION E
BACKUP ANNUAL SPECIAL TAX**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

1. Calculation of the Backup Annual Special Tax Rate

The Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following formula in Fiscal Year 2021/2022 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot for the applicable Fiscal Year
- U = Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed
- A = Acreage of Taxable Property expected to exist at buildout within such Final Map at the time of calculation, as determined by the Administrator
- L = Number of Lots within the applicable Final Map at the time of calculation

2. **Changes to a Final Map**

If the Final Map(s) described in the preceding Section E(1) are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

3. **Increase in the Backup Annual Special Tax**

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax rate for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION F METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2021/2022 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Annual Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

SECTION G PREPAYMENT OF SPECIAL TAXES

1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

2. Special Tax Prepayment Calculation

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P = Prepayment Amount

PVT = Present Value of Taxes

RFC = Reserve Fund Credit

PAF = Prepayment Administrative Fees

3. Special Tax Prepayment Procedures and Limitations

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the CFD, on behalf of the IA.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the CFD that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

SECTION H PARTIAL PREPAYMENT OF SPECIAL TAXES

1. **Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the CFD with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. **Partial Prepayment Calculation**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. **Partial Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the CFD.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the CFD that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the

obligation of the owner of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid multiplied by the applicable Assigned Annual Special Tax and Backup Annual Special Tax prior to the prepayment.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

SECTION I ANNUAL SPECIAL TAX REMAINDER

In any Fiscal Year in which the Special Taxes collected from Developed Property exceed the amount needed to make regularly scheduled annual interest and principal payments on outstanding Bonds and pay Administrative Expenses, the School District may use such amount for acquisition, construction or financing of school facilities and certain costs associated with the maintenance and operations of school facilities in accordance with the Act, CFD proceedings and other applicable laws as determined by the Board.

SECTION J TERMINATION OF SPECIAL TAX

The Special Tax shall be levied for a term of three (3) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2062/2063. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the CFD have been acquired and all reimbursements have been paid, and (iii) all other obligations of the CFD have been satisfied.

SECTION K EXEMPTIONS

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are

owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than 72.4470 acres of Acreage ("Minimum Taxable Acreage").

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

SECTION L APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

SECTION M MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the CFD may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

EXHIBIT “C”

RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES
DISTRICT NO. 2021-1 (IMPROVEMENT AREA B) OF THE WILLIAM S. HART
UNION HIGH SCHOOL DISTRICT

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES OF IMPROVEMENT AREA B OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

A Special Tax (as defined herein) shall be levied on and collected from all Assessor's Parcels within Improvement Area ("IA") B of Community Facilities District No. 2021-1 ("CFD") of the William S. Hart Union High School District ("School District") each Fiscal Year commencing in Fiscal Year 2021/2022, in an amount determined by the Board through the application of the Rate and Method of Apportionment of Special Taxes ("RMA") described below. All the real property within the IA, unless exempted by law or by provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

SECTION A DEFINITIONS

For purposes of this RMA, the terms hereinafter set forth have the following meanings:

"Acreage" means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Administrator may rely on the land area shown on the applicable Final Map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of the CFD related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including, but not limited to, the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of the CFD, and reasonable costs otherwise incurred in order to carry out the authorized purposes of the CFD including a proportionate amount of School District general administrative overhead related thereto.

"Administrator" means an official of the School District or designee thereof, responsible for determining the levy and collection of the Special Taxes.

"Annual Special Tax" means the Special Tax levied in a Fiscal Year on an Assessor's Parcel.

"Approved Property" means all Assessor's Parcels of Taxable Property that (i) are associated with a Lot in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied and (ii) have not been issued a building permit on or before the May 1 preceding the Fiscal Year in which the Special Tax is being levied.

"Assessor's Parcel" means a parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of the IA.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section D hereof.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E hereof.

"Board" means the Governing Board (Board of Trustees) of the School District, or its designee, acting as the Legislative Body of the CFD.

"Bond Index" means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 years with an average rating equivalent to Moody's A1 and/or Standard & Poor's A+, as determined by the Board.

"Bond Yield" means, if applicable, the yield of the most recently issued series of Bonds. For purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, for the purpose of the Non-Arbitrage (Tax) Certificate or other similar bond issuance document.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

"Building Square Footage" or **"BSF"** means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the building permit(s) for such Unit.

"County" means the County of Los Angeles, California.

"CFD" means Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

"Developed Property" means all Assessor's Parcels of Taxable Property for which building permit(s) were issued for one or more Units on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels are associated with a Lot within a Final Map that was recorded prior to January 1 of the prior Fiscal Year, as reasonably determined by the Administrator.

"Exempt Property" means all Assessor's Parcels within the IA designated as being exempt from Special Taxes pursuant to Section K hereof.

"Final Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the Office of the County Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending on the following June 30.

"IA" means Improvement Area B of Community Facilities District No. 2021-1 of the School District.

"Land Use Class or Classes" means the tax classifications depicted in Table 1 for all Assessor's Parcel of Developed Property based on the Building Square Footage of the Units permitted on such Assessor's Parcel.

"Lot" means an individual legal lot created by a Final Map for which a building permit for residential construction has been or could be issued.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Section C, which can be levied by the CFD, on behalf of the IA, in a given Fiscal Year on such Assessor's Parcel.

"Mitigation Agreement" means the Amended and Restated School Facilities Funding and Mitigation Agreement made and entered into as of August 4, 2021 by and among the School District, Community Facilities District No. 2008-1 of the School District, and WH Castaic 497, LLC, as it may be amended.

"Net Taxable Acreage" means the total Acreage of Developed Property expected to exist in the IA after all Final Maps are recorded.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax obligation for an Assessor's Parcel as described in Section H hereof.

"Prepayment Administrative Fees" means any fees or expenses of the School District or the CFD associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

"Prepayment Amount" means the amount required to prepay the Special Tax obligation in full for an Assessor's Parcel as described in Section G hereof.

"Present Value of Taxes" means for any Assessor's Parcel the sum of (i) the unpaid portion, if any, of the Annual Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the present value the Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Administrator, until the termination date specified in Section J, but in no event longer than 33 Fiscal Years. The discount rate used for this calculation shall be equal to (a) the Bond Yield after Bond issuance or (b) the most recently published Bond Index prior to Bond issuance.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax is equal for all applicable Assessor's Parcels. In the case of Developed Property subject to apportionment of the Annual Special Tax under Step Four of Section F, "Proportionately" shall mean that the quotient of (i) the Annual Special Tax less the Assigned Annual Special Tax divided by (ii) the Backup Annual Special Tax less the Assigned Annual Special Tax is equal for all applicable Assessor's Parcels.

"Provisional Undeveloped Property" means all Assessor's Parcels of Taxable Property that would otherwise be classified as Exempt Property pursuant to Section K, but cannot be classified as Exempt Property because to do so would reduce the Net Taxable Acreage below the required minimum Acreage set forth in Section K, as applicable.

"Reserve Fund Credit" means an amount equal to the lesser of (i) the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount or (ii) ten percent (10%) of the amount of Bonds which will be redeemed. If a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is underfunded at the time of the prepayment, no Reserve Fund Credit shall be given.

"School District" means the William S. Hart Union High School District, a public school district organized and operating pursuant to the Constitution and laws of the State of California.

"Special Tax" means any of the special taxes authorized to be levied on Taxable Property within the IA by the CFD pursuant to the Act and this RMA.

"Special Tax Requirement" means the amount required in any Fiscal Year to pay (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account or accounts established in association with the Bonds, (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, and (v) the collection or accumulation of funds for the acquisition or construction of school facilities and certain costs associated with the maintenance and operations of school facilities authorized by the CFD provided that the inclusion of such amount does not cause an increase in the levy of Special Tax on Approved Property, Undeveloped Property, or Provisional Undeveloped Property as set forth in Steps Two through Four of Section F, less (vi) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Special Tax Requirement the Administrator shall take into account the reasonably anticipated delinquent Special Taxes, provided that the amount included cannot cause the Annual Special Tax of an Assessor Parcel of Developed Property to increase by greater than ten percent (10%) of what would have otherwise been levied.

"Taxable Property" means all Assessor's Parcels within the IA which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property, Approved Property or Provisional Undeveloped Property.

"Unit" means each separate residential dwelling unit, including but not limited to, a single family attached or detached unit, condominium, an apartment unit, mobile home, or otherwise, excluding hotel and motels.

SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, commencing with Fiscal Year 2021/2022, all Assessor's Parcels within the IA shall be classified as either Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Approved Property, Undeveloped Property or Provisional Undeveloped Property. Developed Property

shall be further assigned to a Land Use Class, according to Table 1 below, based on the Building Square Footage of each Unit.

Table 1

Land Use Classification	
Land Use Class	Building Square Footage
1	≤ 1,900 sq. ft.
2	1,901 – 2,200 sq. ft.
3	2,201 – 2,500 sq. ft.
4	2,501 – 2,800 sq. ft.
5	2,801 – 3,100 sq. ft.
6	3,101 – 3,400 sq. ft.
7	3,401 – 3,900 sq. ft.
8	> 3,900 sq. ft.

**SECTION C
MAXIMUM SPECIAL TAX RATE**

1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of the amount derived by the application of the (a) Assigned Annual Special Tax or (b) Backup Annual Special Tax.

2. Approved Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property shall be derived by the application of the Assigned Annual Special Tax.

3. Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property or Provisional Undeveloped Property shall be derived by the application of the Assigned Annual Special Tax.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property will be determined in accordance with Table 2 below, subject to increases as described below.

Table 2

**Fiscal Year 2021/2022
Assigned Annual Special
Taxes for Developed Property**

Land Use Class	Building Square Footage	Assigned Annual Special Tax Rate
1	< 1,900 sq. ft.	\$1,326.00 per Unit
2	1,901 – 2,200 sq. ft.	\$1,425.00 per Unit
3	2,201 – 2,500 sq. ft.	\$1,554.00 per Unit
4	2,501 – 2,800 sq. ft.	\$1,682.00 per Unit
5	2,801 – 3,100 sq. ft.	\$1,777.00 per Unit
6	3,101 – 3,400 sq. ft.	\$1,875.00 per Unit
7	3,401 – 3,900 sq. ft.	\$1,991.00 per Unit
8	> 3,900 sq. ft.	\$2,123.00 per Unit

2. Approved Property, Undeveloped Property and Provisional Undeveloped Property

The Assigned Annual Special Tax for each Assessor's Parcel of Approved Property, Undeveloped Property, or Provisional Undeveloped Property shall be \$7,703.00 per acre of Acreage, subject to increases as described below.

3. Increases in the Assigned Annual Special Tax

a. Developed Property

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate applicable to Developed Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

b. Approved Property, Undeveloped Property and Provisional Undeveloped Property

On each July 1, commencing July 1, 2022, the Assigned Annual Special Tax rate per acre of Acreage for Approved Property, Undeveloped Property and Provisional Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

**SECTION E
BACKUP ANNUAL SPECIAL TAX**

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to a Backup Annual Special Tax.

1. Calculation of the Backup Annual Special Tax Rate

The Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property within a Final Map shall be the rate per Lot calculated in accordance with the following

formula in Fiscal Year 2021/2022 or such later Fiscal Year in which such Final Map is created, subject to increases as described below:

$$B = (U \times A) / L$$

The terms above have the following meanings:

- B = Backup Annual Special Tax per Lot for the applicable Fiscal Year
- U = Assigned Annual Special Tax per Acre of Undeveloped Property in the Fiscal Year the calculation is performed
- A = Acreage of Taxable Property expected to exist at buildout within such Final Map at the time of calculation, as determined by the Administrator
- L = Number of Lots within the applicable Final Map at the time of calculation

2. Changes to a Final Map

If the Final Map(s) described in the preceding Section E(1) are subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property changed or modified in each such Final Map shall be a rate per square foot of Acreage calculated as follows:

- a. Determine the total Backup Annual Special Tax revenue anticipated to apply to the changed or modified Assessor's Parcels prior to the change or modification.
- b. The result of paragraph a above shall be divided by the Acreage of Taxable Property of the modified Assessor's Parcels, as reasonably determined by the Administrator.
- c. The result of paragraph b above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage that shall be applicable to the modified Assessor's Parcels, subject to increases as described below.

3. Increase in the Backup Annual Special Tax

Each July 1, commencing the July 1 following the initial calculation of the Backup Annual Special Tax rate for Developed Property within a Final Map, the Backup Annual Special Tax for each Lot within such Final Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION F

METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2021/2022 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes on all Taxable Property in accordance with the following steps:

- Step One:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property at the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two:** If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Three:** If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Four:** If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Annual Special Tax on each Assessor's Parcel of Developed Property, for which the Maximum Special Tax is the Backup Annual Special Tax, shall be increased Proportionately from the Assigned Annual Special Tax up to 100% of the Backup Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.
- Step Five:** If additional moneys are needed to satisfy the Special Tax Requirement after the fourth step has been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Undeveloped Property up to 100% of the Assigned Annual Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement.

SECTION G

PREPAYMENT OF SPECIAL TAXES

1. Special Tax Prepayment Times and Conditions

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid, if there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel. An owner of an Assessor's Parcel intending to prepay the Special Tax shall provide the School District with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Prepayment Amount for such Assessor's Parcel and shall notify such owner of such Prepayment Amount.

2. **Special Tax Prepayment Calculation**

The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. **Special Tax Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement, indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the CFD, on behalf of the IA.

With respect to any Assessor's Parcel for which the Special Tax is prepaid, the Board shall indicate in the records of the CFD that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such prepayment shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

SECTION H PARTIAL PREPAYMENT OF SPECIAL TAXES

1. **Partial Prepayment Times and Conditions**

The Special Tax obligation for Assessor's Parcels of Taxable Property may be partially prepaid in increments of ten (10) Units, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcels at the time the Special Tax obligation would be partially prepaid. An owner of an Assessor's Parcel(s) intending to partially prepay the Special Tax shall provide the CFD with written notice of their intent to partially prepay. Within thirty (30) days of receipt of such written notice, the Administrator shall determine the Partial Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Partial Prepayment Amount.

2. **Partial Prepayment Calculation**

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = PVT \times F - RFC + PAF$$

The terms above have the following meanings:

PP	=	the Partial Prepayment Amount
PVT	=	Present Value of Taxes
F	=	the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

3. **Partial Prepayment Procedures and Limitations**

The amount representing the Present Value of Taxes attributable to the prepayment less the Reserve Fund Credit attributable to the prepayment shall, prior to the issuance of Bonds, be deposited into a separate account held with the School District and disbursed in accordance with the Mitigation Agreement and after the issuance of Bonds be deposited into the applicable account or fund established under the trust agreement or indenture agreement or fiscal agent agreement and used to pay debt service or redeem Bonds. The amount representing the Prepayment Administrative Fees attributable to the prepayment shall be retained and deposited into the applicable account by the CFD.

With respect to any Assessor's Parcel for which the Special Tax obligation is partially prepaid, the Board shall indicate in the records of the CFD that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the

obligation of the owner of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid multiplied by the applicable Assigned Annual Special Tax and Backup Annual Special Tax prior to the prepayment.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Assigned Annual Special Taxes, net of Administrative Expenses, that may be levied on all Taxable Property, excluding Provisional Undeveloped Property, after such partial prepayment, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Administrator. Such determination shall include identifying all Assessor's Parcels that are expected to be classified as Exempt Property.

Notwithstanding the above, the ability to prepay the Annual Special Tax obligation of an Assessor's Parcel may be suspended, by the Administrator, acting in his or her absolute and sole discretion for and on behalf of the CFD, without notice to the owners of property within the IA for a period of time, not to exceed sixty (60) days, prior to the scheduled issuance of Bonds by the CFD, on behalf of the IA, to assist in the efficient preparation of the required bond market disclosure.

SECTION I ANNUAL SPECIAL TAX REMAINDER

In any Fiscal Year in which the Special Taxes collected from Developed Property exceed the amount needed to make regularly scheduled annual interest and principal payments on outstanding Bonds and pay Administrative Expenses, the School District may use such amount for acquisition, construction or financing of school facilities and certain costs associated with the maintenance and operations of school facilities in accordance with the Act, CFD proceedings and other applicable laws as determined by the Board.

SECTION J TERMINATION OF SPECIAL TAX

The Special Tax shall be levied for a term of three (3) Fiscal Years after the final maturity of the last series of Bonds, provided that the Special Tax shall not be levied later than Fiscal Year 2062/2063. However, the Special Tax may cease to be levied in an earlier Fiscal Year if the Board has determined (i) that all required interest and principal payments on the Bonds have been paid, (ii) all authorized facilities of the CFD have been acquired and all reimbursements have been paid, and (iii) all other obligations of the CFD have been satisfied.

SECTION K EXEMPTIONS

The Administrator shall classify as Exempt Property in the chronological order in which each Assessor Parcel becomes (i) owned by the State of California, federal or other local governments, (ii) used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) owned by a homeowners' association, (iv) burdened with

a public or utility easements making impractical their utilization for other than the purposes set forth in the easement, or (v) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage to less than 47.1485 acres of Acreage ("Minimum Taxable Acreage").

Notwithstanding the above, the Administrator or Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Acreage of all Taxable Property to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Taxable Acreage will be classified as Provisional Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

SECTION L APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator to be received by the Administrator not later than six (6) months after having paid the first installment of the Special Tax that is disputed. The reissuance or cancellation of a building permit is not an eligible reason for appeal. In order to be considered sufficient, any notice of appeal must (i) specifically identify the property by address and Assessor's Parcel Number, (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax, (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect, (iv) include all documentation, if any, in support of the claim, and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

SECTION M MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that the CFD may directly bill all or a portion of the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of ten percent (10%) of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

EXHIBIT “D”

FACILITIES DESCRIPTIONS

The types of facilities (“Facilities”) proposed to be planned for, designed, acquired, constructed, leased, expanded, improved, rehabilitated and financed by proposed Community Facilities District No. 2021-1 of the William S. Hart Union High School District (“CFD No. 2021-1”), under the Mello Roos Community Facilities Act of 1982, as amended (“Act”), are as follows:

“School Facilities” includes, but not by way of limitation, facilities of the William S. Hart Union High School District (“District”) consisting of the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, administration and auxiliary space at school facilities as reasonably determined from time to time by the District to be necessary during the term of the special taxes as follows:

(a) School sites and facilities, including lease rental payments therefore related to the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, as well as portable or relocatable buildings or interim additions to existing buildings at such school facilities.

(b) Modernization, rehabilitation, relocation and expansion of existing school facilities and related infrastructure.

(c) Central support, administrative facilities, special education facilities, interim or permanent teacher or employee housing, transportation facilities, including, but not by way of limitation, buses and vehicles with a useful life of at least five (5) years.

(d) Furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five (5) years at such school facilities.

(e) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of school facilities (including, without limitation, construction management, inspection, materials testing, and construction staking); any “debt,” as defined in Government Code Section 53317(d), the costs to issue and sell any such debt (including, without limitation, underwriters discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, bond trustee or fiscal agent, bond and official statement printing, and administrative expenses of the District and/or CFD No. 2021-1), and all other incidental expenses.

The school facilities shall be constructed, whether or not acquired in their completed states, pursuant to plans and/or specifications approved by the District. The school facilities described in this Exhibit are representative of the types of improvements to be funded or financed by CFD No.

2021-1. Addition, deletion or modification of school facilities may be made consistent with the requirements of the District, CFD No. 2021-1, and the Mello-Roos Act.

“Water Facilities” consist of water transmission lines, pumping facilities and appurtenant improvements.

“Sanitation Facilities” consist of 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.

“Elementary and Middle School Facilities” consist of consist of Grades K-8 school sites, preschool facilities, school facilities, including classrooms, multi-purpose facilities, administration and auxiliary space at school facilities, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore..

EXHIBIT “E”

REQUIREMENTS AND PROCESS FOR ACQUISITION AND PAYMENT OF PURCHASE PRICE OF WATER FACILITIES

1. Definitions. For purposes of this Exhibit “E,” the following capitalized terms shall be defined as set forth below. All other capitalized terms shall be defined as set forth in the Agreement.

“Acceptable Title” means title to or an offer of dedication of land or interest therein free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether or not recorded, other than exceptions that do not interfere with the actual or intended use of the land or interest therein.

“Actual Cost” means the cost of a Water Facility, which cost may include: (i) the costs for the construction of such Water Facility, including labor, materials and equipment costs; (ii) the costs incurred in preparing the Plans for such Water Facility and related costs of environmental evaluations of such Water Facility, (iii) the fees paid to governmental agencies for, or expenses incurred in connection with obtaining permits, licenses, inspections or other governmental approvals for such Water Facility; (iv) construction, management and administration for the construction of such Water Facility; (v) professional costs directly related to and associated with such Water Facility, such as soils, civil and environmental engineering, legal, accounting, inspection, construction staking, construction surveying, materials testing and similar professional services; and (vi) costs of payment, performance and/or maintenance bonds, and insurance costs (including costs of any title insurance required hereunder) for such Water Facility.

“Contracting Party” means an Owner, or an Affiliate or assignee of Owner, who elects to construct or cause a Water Facility to be constructed.

“Payment Request” means a document, substantially in the form of Attachment No. 1 hereto, to be used in requesting the payment of the Purchase Price with respect to a Water Facility.

“Plans” means the plans, specifications, schedules and related construction contracts for a Water Facility.

“Purchase Price” means the amount paid by the District for a Water Facility in an amount not to exceed the Actual Cost of such Water Facility.

2. Construction and Acquisition of Water Facilities.

Section 2.1. Contracting Party. An Owner, or an affiliate or assignee of an Owner, may elect to construct or cause a Water Facility to be constructed and such Owner, or such affiliate or assignee, shall be referred to as the “Contracting Party” with respect to such Water Facility.

Section 2.2 Plans for Water Facilities. A Contracting Party shall be responsible for the preparation of the Plans for the construction of each Water Facility and for obtaining the Water District's approval of the Plans.

Section 2.3 Construction and Inspection of the Water Facility. Each Water Facility for which a Payment Request is submitted must be constructed in accordance with the Plans and the Act, which requires that such Water Facility be constructed as if it were constructed under the direction, supervision and control of the Water District. The Contracting Party shall be solely responsible for the bidding, contracting and construction of any such Water Facility in accordance with the requirements set forth in Attachment No. 2 hereto. District shall have no responsibility whatsoever for the bidding, contracting and/or the construction of the Water Facilities. The construction of the Water Facilities shall be subject to inspection by the Water District. The Contracting Party shall certify in the Payment Request that the Water Facility has been finally completed and accepted by the Water District.

Section 2.4 Acquisition and Ownership of the Water Facility. The Water Facility shall be deemed eligible for acquisition by the CFD after it has been accepted by the Water District.

Section 2.5 Payment Requests. In order to receive the Purchase Price for a completed Water Facility, the Owner shall deliver to the District a Payment Request in the form of Attachment No. 1 hereto.

Section 2.6 Processing Payment Requests. Upon the submittal of a complete, executed Payment Request by the Owner, the District shall cause the Purchase Price to be paid to the entity or entities designated in the Payment Request from funds then on deposit in the Special Fund and the Water Facilities Fund. The portion of any approved Payment Request not paid due to an insufficiency of funds in the Special Fund and the Water Facilities Fund shall be paid promptly following the deposit of funds into the Special Fund and the Water Facilities Fund.

ATTACHMENT NO. 1
TO EXHIBIT "E"
FORM OF PAYMENT REQUEST

Pursuant to the School Facilities Funding and Mitigation Agreement between William S. Hart Union High School District, Community Facilities District No. 2008-1 of the William S. Hart Union High School District and WH Castaic 497 LLC dated August 4, 2021 (the "Mitigation Agreement"), the undersigned (the "Contracting Party"), hereby requests payment in the total amount of \$_____ for the Water Facility(ies) described in Attachment A hereto. In connection with this Payment Request, the undersigned hereby certifies, represents and warrants to the District as follows:

A. He(she) is a duly authorized officer of the Contracting Party, qualified to execute this Payment Request for payment on behalf of the Contracting Party and is knowledgeable as to the matters set forth herein.

B. All costs of the Water Facility(ies) for which payment is requested hereby are Actual Costs (as defined in the Agreement referenced above) and have not been inflated in any respect. The Actual Costs for which payment is requested have not been the subject of any prior payment request submitted to the District.

C. The Water Facility(ies) for which payment is requested was constructed in accordance with the requirements of the Water District and Exhibit "E" to the Mitigation Agreement. The Water Facility(ies) has/have been accepted by the Water District, as evidenced by the attached documentation provided by the Water District.

D. The Contracting Party is in compliance with the terms and provisions of the Agreement and no portion of the amount being requested to be paid was previously paid.

E. The Purchase Price for the Water Facility(ies) (a detailed calculation of which is shown in Attachment A hereto for each Water Facility) has been calculated in conformance with the terms of the Agreement.

F. Please pay the Purchase Price to the following entity(ies), if other than the Contracting Party, in the amounts or percentages indicated:

[Insert names of payees and amounts or percentages]

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

Date: _____

CONTRACTING PARTY:

[INSERT ENTITY]

By: _____
Authorized Representative of Owner

ATTACHMENT A

SUMMARY OF WATER FACILITY(IES) AND DISCRETE
COMPONENT(S) TO BE ACQUIRED AS PART OF PAYMENT REQUEST

Water Facility	Actual Costs	Disbursement Requested
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[List here all Water Facility(ies) for which payment is requested,
and attach support documentation]

ATTACHMENT NO. 2
TO EXHIBIT "E"
WATER DISTRICT BIDDING, CONTRACTING
AND CONSTRUCTION REQUIREMENTS

The following requirements shall apply with respect to any Water Facility for which a Payment Request is submitted:

1. The Contracting Party shall either (i) solicit sealed bids for the construction of the Water Facility by publication in the official newspaper of the County, and, if the Contracting Party elects, in one or more local newspapers or (ii) directly solicit bids from at least three (3) qualified contractors, provided at least three (3) qualified contractors are reasonably available.
2. The bidding response time shall be not less than twenty (20) working days.
3. Contractor(s) for the construction of the Water Facility shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Contracting Party.
4. Prevailing wages shall be paid by Contractor(s) for the construction of the Water Facility.