

RESOLUTION NO. LB21/22-10

RESOLUTION OF THE GOVERNING BOARD OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, APPROVING AND AUTHORIZING THE EXECUTION OF THREE JOINT COMMUNITY FACILITIES AGREEMENTS, AND DELEGATING AUTHORITY RELATED THERETO

WHEREAS, WH Castaic 497 LLC (“Owner”) owns certain real property within Tract Map No. 52584 located in unincorporated portions of the County of Los Angeles, and is within the boundaries of the William S. Hart Union High School District (“District”);

WHEREAS, on August 4, 2021, the Governing Board (“Board”) of the District formed 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 Mello-Roos Community Facilities Act of 1982, as amended (“Act”); and

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

WHEREAS, the District, Owner, and Castaic Union School District (“Castaic District”) negotiated a “Joint Community Facilities Agreement” (“Castaic District JCFA”), which was approved by the Castaic District on June 24, 2021 by the Board of Trustees of the Castaic District, attached hereto as Exhibit “A” and incorporated by referenced herein;

WHEREAS, the District, Owner, and Santa Clarita Valley Sanitation District of Los Angeles County (“Sanitation District”) negotiated a “Joint Community Facilities Agreement” (“Sanitation District JCFA”), attached hereto as Exhibit “B,” and incorporated by referenced herein;

WHEREAS, the District, Owner, and Los Angeles County Waterworks District No. 36, Val Verde (“Water District”) negotiated a “Joint Community Facilities Agreement” (“Water District JCFA,” and collectively with the Castaic District JCFA and the Sanitation District JCFA, the “JCFAs”), attached hereto as Exhibit “C,” and incorporated by referenced herein;

WHEREAS, the Board has reviewed and considered the JCFAs, which relate to the financing of the acquisition or construction of public facilities within the boundaries of CFD No. 2021-1 in accordance with the Act; and

WHEREAS, the District has determined that it is desirable to enter into the JCFAs.

NOW, THEREFORE, THE GOVERNING BOARD OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the above recitals are true and correct.

Section 2. The Board hereby approves the Castaic District JCFA, attached as Exhibit “A.”

Section 3. The Board hereby approves the Sanitation District JCFA, attached as Exhibit “B.”

Section 4. The Board hereby approves the Water District JCFA, attached as Exhibit “C.”

Section 5. The Board hereby authorizes and directs the Superintendent (“Superintendent”), or the Superintendent’s designee (“Designee”), to sign and deliver the JCFA’s in substantially the same form. The Superintendent or the Designee, and the District’s legal counsel may authorize minor, non-substantive revisions to the JCFA’s prior to the signature and delivery as attached thereof.

Section 6. The Board hereby authorizes and directs the Superintendent or Designee to take all such further actions, and to execute such additional documents, as are necessary to implement the intent of this Resolution and the terms of the JCFA’s.

ADOPTED, SIGNED AND APPROVED this 4th day of August, 2021.

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

By: _____
President, Governing Board of the William S. Hart Union High School District, Acting as the Legislative Body of CFD No. 2021-1

ATTEST:

Clerk, Governing Board of the William S. Hart Union High School District, Acting as the Legislative Body of CFD No. 2021-1

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

I, Joe Messina, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing was duly adopted by the Governing Board, Acting as the Legislative Body of CFD No. 2021-1, of such District at a regular meeting of said Board held on the 4th day of August, 2021, at which a quorum of the Board was present and acting throughout, for which notice and an agenda were prepared and posted as required by law, the Board members had due notice of the meeting, and the attached resolution was adopted at such meeting by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Clerk of the Governing Board of the William S. Hart
Union High School District

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

I, Joe Messina, Clerk of the Governing Board of the William S. Hart Union High School District, do hereby certify that the foregoing is a true and correct copy of Resolution No. LB21/22-10, which was duly adopted by Governing Board of the William S. Hart Union High School District, Acting as the Legislative Body of CFD No. 2021-1, at a meeting thereof on August 4, 2021.

Clerk of the Governing Board, of the William S. Hart Union High School District, Acting as the Legislative Body of CFD No. 2021-1

EXHIBIT "A"

CASTAIC DISTRICT JCFA

(Continued on following page)

**JOINT COMMUNITY FACILITIES AGREEMENT
BY AND BETWEEN
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,
CASTAIC UNION SCHOOL DISTRICT AND
WH CASTAIC 497 LLC**

**(Community Facilities District No. 2021-1
of the William S. Hart Union High School District)**

This **JOINT COMMUNITY FACILITIES AGREEMENT** (“Agreement”), dated for reference purposes as of June 24, 2021, is made by and between the **WILLIAM S. HART UNION HIGH SCHOOL DISTRICT** (“Hart”), a public school district organized and operating pursuant to California law, the **CASTAIC UNION SCHOOL DISTRICT** (“Castaic”), also a public school district organized and operating pursuant to California law, and **WH CASTAIC 497 LLC**, a Delaware limited liability company (“Property Owner”). Hart, Castaic and the Property Owner may be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS:

A. The Property Owner is the owner of the property described on Exhibit “A,” located within the boundaries of Castaic and Hart (“Property”).

B. The Property Owner desires to develop the Property for residential purposes and has obtained, or will obtain, the necessary development approvals to construct approximately 497 single family detached residential units (“SF/DU”) on such property (“Project”).

C. Development of the Property will require certain payments to be made to Castaic by Property Owner, or its successors or assigns, to pay for school facilities costs (“Castaic Costs”) to the extent and as provided for by the “School Facilities Mitigation Agreement” by and between Castaic and Property Owner, as it may be amended (“Castaic School Facilities Mitigation Agreement”).

D. Pursuant to the request of the Property Owner, the Governing Board of Hart intends to form CFD No. 2021-1 and designate Improvement Area A and Improvement Area B thereof (each, an “Improvement Area”), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (“Act”), and the terms and conditions of the “Amended and Restated School Facilities Funding and Mitigation Agreement” by and between Hart, Community Facilities District No. 2008-1 of the Williams S. Union High School District (“CFD No. 2008-1”), and the Property Owner, as amended and supplemented, (the “Hart School Facilities Mitigation Agreement”).

E. CFD No. 2021-1, is being established to provide financing, in part, of (i) the acquisition of land and construction, furnishing and equipping of public school facilities for Hart (“School Facilities”), (ii) the acquisition of land and construction, furnishing and equipping of public school facilities for Castaic (“Castaic Facilities”), and (iii) the facilities of other public agencies.

F. Hart and Castaic are authorized by Section 53313.5 of the Act to finance, by means of CFD No. 2021-1, the Castaic Costs for the acquisition and/or construction of the Castaic Facilities and the costs of the School Facilities of CFD No. 2021-1. This Agreement constitutes a “joint community facilities agreement” (“JCFA”) within the meaning of Section 53316.2 of the Act by and between Hart, Castaic and the Property Owner, pursuant to which CFD No. 2021-1, when formed, will be authorized to finance, among other things, the Castaic Facilities. The Parties hereto understand that the requirements of Government Code Section 53316.2(e) will be satisfied inasmuch as the amount paid by CFD No. 2021-1 to Hart for School Facilities from the proceeds of both Special Taxes (defined herein) and Bond Proceeds (defined herein) will exceed the amount paid by CFD No. 2021-1 from the combination of such sources for Castaic Costs and the Castaic Facilities as shown in the CFD No. 2021-1 CFD Report submitted to the Governing Board of Hart. As provided by Section 53316.6 of the Act, Castaic shall be responsible for operating and maintaining the Castaic Facilities and for the design and construction of the Castaic Facilities.

G. The Parties hereto find and determine that the residents of Hart, Castaic and CFD No. 2021-1 will be benefitted by the construction and/or acquisition of the School Facilities and the Castaic Facilities and that this Agreement is beneficial to the interests of such entities and residents.

ARTICLE I GENERAL PROVISIONS

Section 1.1 Recitals. The above recitals are true and correct and are hereby incorporated by this reference.

Section 1.2 Definitions.

Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.

(a) “Act” means the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Government Code Section 53311, *et seq.*

(b) “Advance” means an amount paid by Property Owner for Castaic Facilities in lieu of payment of Castaic Costs prior to the deposit of sufficient Bond Proceeds into Castaic Facilities Fund and which amount shall be eligible for reimbursement from Bond Proceeds.

(c) “Agreement” means this Joint Community Facilities Agreement.

(d) “Board” means the Governing Board of the William S. Hart Union High School District.

(e) “Bond Proceeds” or “Proceeds of the Bonds” shall mean those net funds generated by the sale of the Bonds, or other securities, issued on behalf of or for the benefit of CFD No. 2021-1.

(f) “Bond Resolution” means, collectively, that Resolution, Resolution Supplement, Fiscal Agent Agreement, and/or other equivalent document(s), providing for the issuance of the Bonds.

(g) “Bonds” shall mean those bonds, or other securities, issued by, or on behalf of, CFD No. 2021-1.

(h) “Castaic Costs” means the costs of financing or providing the Castaic Facilities in an amount not to exceed the “Mitigation Amounts” for the Project as defined in and required by the Castaic School Facilities Mitigation Agreement.

(i) “Castaic Facilities” means those public school facilities to be owned and maintained by Castaic and to be funded pursuant to this Agreement.

(j) “Castaic Facilities Fund” means the fund(s) or account(s) (regardless of final designation in the Bond Resolution) into which a portion of the Proceeds of the Bonds may be deposited in accordance with the Hart School Facilities Mitigation Agreement to fund the Castaic Facilities.

(k) “CFD No. 2021-1” means Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

(l) “Improvement Area” means each of Improvement Area A and Improvement Area B of CFD No. 2021-1.

(m) “Rate and Method” means the Rate and Method of Apportionment of the Special Tax for each Improvement Area that is expected to be authorized for levy and collection pursuant to proceedings undertaken for the formation of CFD No. 2021-1 pursuant to the Act.

(n) “Special Taxes” means the special taxes expected to be authorized to be levied and collected within each Improvement Area pursuant to the final Rate and Method approved for the Improvement Area.

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

Section 1.3 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context clearly otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations,

including public bodies, as well as natural persons. The terms “hereby,” “hereof,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement.

ARTICLE II FORMATION OF CFD AND ISSUANCE OF BONDS

Section 2.1 Formation of CFD No. 2021-1. Hart, pursuant to the Hart School Facilities Mitigation Agreement, has initiated proceedings pursuant to the Act for the formation of CFD No. 2021-1, designation of the Improvement Areas, the authorization of the Special Taxes, and the authorization of Bonds on behalf of CFD No. 2021-1 for each Improvement Area. Nothing contained herein shall be deemed to limit the discretion of Hart in that regard and Hart shall have no liability to Castaic or Property Owner if CFD No. 2021-1 is not formed or if the Special Taxes and Bonds are not authorized by the qualified electors within CFD No. 2021-1, or are not sufficient to fund the Castaic Facilities

Section 2.2 Issuance and Sale of Bonds. In the event CFD No. 2021-1 is formed and the Special Taxes and Bonds are authorized, the Board, acting as the Legislative Body of CFD No. 2021-1, may, in its sole discretion, in accordance with its adopted policies (“CFD Policies”) and the Hart School Facilities Mitigation Agreement take actions(s) to issue and sell one or more series of Bonds for each Improvement Area to finance the costs of public facilities.

Section 2.3 Bond Proceeds. Upon completion of the issuance of each series of Bonds and receipt of the corresponding Bond Proceeds, Hart shall determine the amount of Bond Proceeds available to finance the Castaic Facilities in accordance with the CFD Policies and the Hart School Facilities Mitigation Agreement. Hart agrees that, notwithstanding anything to the contrary, Hart will not amend the Hart School Facilities Mitigation Agreement or its CFD Policies to change or eliminate Castaic’s second priority to Bond Proceeds, following allocation to Hart, allocated for purposes of financing public facilities. The amount of Bond Proceeds allocated to Castaic for payment of Castaic Costs shall be in multiples of the applicable “Mitigation Amount” applicable pursuant to the Castaic School Facilities Mitigation Agreement at the time the Bond Proceeds are deposited into the Castaic Facilities Fund. CFD No. 2021-1 may pay amounts directly to Castaic for payment of Castaic Costs, may reimburse Castaic for the Castaic Costs already paid by Castaic, and/or may reimburse the Property Owner for the amounts it paid directly to Castaic for Castaic Costs, as may be agreed and coordinated by Castaic and the Property Owner from time to time in accordance with the terms of the Castaic School Facilities Mitigation Agreement and as described in Section 2.4 below. The Property Owner shall use the payment request form set forth as Exhibit “B,” which is attached hereto and incorporated herein by this reference, to request payment of funds held in the Castaic Facilities Fund (“Payment Request”). When requesting Bond Proceeds to pay Castaic Costs, Castaic shall use such form of payment request as set forth in the issuance documents for the Bonds.

Section 2.4 Disbursements.

(a) Upon the funding of the Castaic Facilities Fund, Property Owner may execute and submit a completed Payment Request Form to CFD No. 2021-1 requesting disbursement from the Castaic Facilities Fund of an amount equal to (but not greater than) the total of the Advances paid up to that date, but not previously reimbursed to the Property Owner. The submitted Payment Request form shall include the number of SF/DUs and the corresponding Castaic Costs for which the disbursement is requested, as well as written verification by an authorized Castaic representative of the amount requested. Castaic agrees that, promptly following request of the Property Owner, a Castaic representative shall review and approve (or reasonably disapprove, if applicable) the disbursements to the Property Owner specified in a Payment Request. The sole source of funds from which the Property Owner will be entitled to receive reimbursement of the Advances shall be the Bond Proceeds deposited into the Castaic Facilities Fund.

(b) Bond Proceeds allocated to Castaic for paying Castaic Costs after reimbursing Advances pursuant to Subsection (a) of this Section 2.4 shall be a credit against the Property Owner's obligation to pay Mitigation Amounts pursuant to the Castaic School Facilities Mitigation Agreement.

Section 2.5 Responsibility for Castaic Facilities.

(a) **The Parties hereto acknowledge and agree that the responsibility for construction, maintenance and operation of Castaic Facilities lies with Castaic.**

(b) If the amount derived from Bond Proceeds, including investment earnings thereon, if any, are not sufficient to fund the total Castaic Costs, the Parties agree that all responsibility and liability for the amount of such shortfall(s) shall be and remain with the Property Owner and shall not lie with Hart, CFD No. 2021-1 or Castaic.

(c) Castaic agrees to utilize or apply Bond Proceeds provided to it for the Castaic Facilities.

(d) Castaic expressly acknowledges that the Bonds are subject to federal tax requirements applicable to tax-exempt securities. Castaic expressly confirms and warrants to the School District that it will not use the Bond Proceeds to reimburse costs of Castaic Facilities that were previously financed with the proceeds of other tax-exempt securities or bonds.

Section 2.6 Responsibility for Debt Service or Special Taxes. Castaic' obligations under this Agreement shall be limited to its obligations with respect to the design, construction, ownership, operation and maintenance of the Castaic Facilities and the express terms hereof, and Castaic shall have no obligation, responsibility or authority with respect to the issuance and sale of the Bonds, the payment of the principal and interest thereon, or for the levy and collection of the Special Taxes to provide for the payment of principal and interest thereon, and CFD No. 2021-1 shall have the sole authority and responsibility for all such matters.

The Parties hereto specifically agree that the liabilities of CFD No. 2021-1 and Hart pursuant to the documents providing for the issuance of Bonds, including the Bond Resolution, shall not be or become liabilities of Castaic.

Section 2.7 Administration of CFD No. 2021-1. Hart shall have the power and duty to provide for the administration of CFD No. 2021-1 and once it is formed, subject to the terms hereof and the Hart School Facilities Mitigation Agreement, including employing and compensating all consultants and providing for the various other administration duties set forth in this Agreement. It is understood and agreed by Parties hereto that Castaic will not be considered a participant in the proceedings relative to formation of CFD No. 2021-1 or the issuance of the Bonds, other than as a Party to this Agreement.

Section 2.8 Tax Matters. In connection with the issuance of any Bonds, a portion of the Bond Proceeds which are to be made available for the payment of Castaic Facilities, Castaic agrees to execute and deliver such certifications and agreements as may be reasonably required in order for bond counsel for the Bonds to conclude that interest on such Bonds will be excluded from gross income under Section 103 of the Internal Revenue Code of 1986. Castaic, which may consult and request information from bond counsel for the Bonds, further agrees that it shall not use Bond Proceeds provided to pay costs relating to Castaic Facilities in any manner that would cause interest on the Bonds to become included in gross income for federal income tax purposes. Castaic represents the following with respect to the use of the Bond Proceeds provided to pay for Castaic Facilities:

- (a) In General. The Bond Proceeds provided to pay Castaic Facilities will not be used for any activities that constitute a “Private Use” (as such term is defined below in subsection (b)).
- (b) Definition of Private Use. For purposes of this Section 2.8, the term “Private Use” means any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities. The leasing of the facilities or the access of a person or entity other than a governmental unit to property or services on a basis other than as a member of the general public (“General Public Use”) shall constitute a Private Use unless Castaic obtains an opinion of bond counsel to the contrary. Use of the Bond Proceeds in a trade or business constitutes General Public Use only if the property is intended to be available and is in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business.
- (c) Management and Service Contracts. With respect to management and service contracts, the determination of whether a particular use constitutes Private Use under this Section 2.8 shall be determined on the basis of applying Revenue Procedure 97-13, 1997-1 C.B. 632. As of the date hereof, no portion of the Castaic Facilities are expected to be used to provide property subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than governmental units) that involve the management of property or the

provision of services that do not comply with the standards of Revenue Procedure 97-13.

Castaic reasonably expects to expend the Bond Proceeds on Castaic Facilities within three (3) years from the date of issuance of the Bonds. Castaic shall reasonably cooperate with bond counsel for the Bonds, prior to each issuance of Bonds, to identify the Castaic Facilities that Castaic intends to finance using the Bond Proceeds attributable to that issuance. Castaic further agrees to maintain Bond Proceeds provided to pay for the Castaic Facilities in a separate accounting, apart from all other accountings of Castaic. Castaic shall maintain adequate accounting records, in accordance with generally accepted accounting principles, as to its receipt and expenditure of Bond Proceeds provided to pay costs for the Castaic Facilities. Castaic will, upon request, provide Hart with access to Castaic records related to the Castaic Facilities and will provide to Hart its annual financial report certified by an independent certified public accountant.

Hart and CFD No. 2021-1 agree to maintain full and accurate records of all amounts, and investment earnings, if any, expended from the Castaic Facilities Fund for such Castaic Facilities. Hart or CFD No. 2021-1 will, upon request, provide Castaic with access to Hart's or CFD No. 2021-1's records relating to the Castaic Facilities Fund.

ARTICLE III TERM AND TERMINATION

Section 3.1 Effective Date. This Agreement shall become effective and of full force and effect as of the date it has been duly approved and executed by the Parties.

ARTICLE IV ADDITIONAL GENERAL PROVISIONS

Section 4.1 Indemnification.

(a) Castaic agrees to indemnify, defend and hold harmless Hart and CFD No. 2021-1, and their respective officers, employees and agents, and each and every one of them, from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs which Hart or CFD No. 2021-1, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from Hart or CFD No. 2021-1, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the acquisition, construction, installation, operation, maintenance or utilization of the Castaic Facilities, including the use of Bond proceeds. If Castaic fails to do so, Hart and CFD No. 2021-1 shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from Castaic.

No indemnification is required to be paid by Castaic for any claim, loss or expense arising from the willful misconduct or negligence of Hart or CFD No. 2021-1, or their respective officers, employees or agents.

(b) Hart agrees to indemnify, defend and hold harmless Castaic, and its officers, employees and agents, and each and every one of them, from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs which Castaic, or its officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from Castaic, or its respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the acquisition, construction, installation, operation, maintenance or utilization of the School Facilities or the issuance of the Bonds. If Hart fails to do so, Castaic shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from Hart.

No indemnification is required to be paid by Hart for any claim, loss or expense arising from the willful misconduct or negligence of Castaic, or its officers, employees or agents.

(c) Property Owner agrees to indemnify, defend and hold harmless Hart, CFD No. 2021-1 and Castaic, and their respective officers, employees and agents, and each and every one of them, from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, reasonable attorneys' fees and court costs which Hart, CFD No. 2021-1, and Castaic, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from Hart, CFD No. 2021-1, and Castaic, or their respective officers, employees and agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of any act or omission of Property Owner with respect to this Agreement. If Property Owner fails to do so, Hart, CFD No. 2021-1, and Castaic shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any reasonable attorneys' fees or court costs, to and recover the same from Property Owner.

No indemnification is required to be paid by Property Owner for any claim, loss or expense arising from the willful misconduct or negligence of Hart (if indemnification is sought by Hart), CFD No. 2021-1 (if indemnification is sought by CFD No. 2021-1) or Castaic (if indemnification is sought by Castaic), or their respective officers, employees or agents (if indemnification is sought thereby).

Section 4.2 Recordkeeping: Inspection of Records. Each Party hereto agrees to keep and maintain full and accurate records of all amounts, and investment earnings, if any, paid to Castaic for the Castaic Facilities and amounts expended from the Castaic Facilities Fund as provided for in this Agreement. Each Party further agrees to make such records available to the other Party hereto during normal business hours upon reasonable prior notice. All such records shall be kept and maintained by the appropriate Party as provided by applicable law and their respective policies.

Castaic and Property Owner agree that they will cooperate in a timely manner with CFD No. 2021-1 and Hart, on behalf of the CFD No. 2021-1, in providing documentation, reports or other data reasonably required and requested by Hart and/or CFD No. 2021-1 in meeting the reporting requirements of the CFD No. 2021-1 under Sections 50075.1, 50075.3, and 50075.5 and Article 1.5 (commencing with Section 53410) of Chapter 3 of Part 1 of Division 2 of Title 5 of, the Government Code (collectively, the “Local Agency Special Tax and Bond Accountability Act”). Castaic’ reporting obligations pursuant to this section shall be limited to providing reports or other data detailing the following: (A) the amount of CFD No. 2021-1 funds received by Castaic to fund Castaic Facilities, (B) the amount of such CFD No. 2021-1 funds deposited in separate funds or accounts of Castaic reflecting the Castaic Costs and the number of SF/DUs for which such Castaic Costs apply, (C) a brief description concerning the facilities financed from such Castaic funds or accounts, and (D) the balance, if any, of each such fund and account in which CFD No. 2021-1 Bond funds were deposited.

Section 4.3 Partial Invalidity. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 4.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Party hereto. This Agreement may not be assigned without the prior written consent of the other Parties hereto, which consent shall not be unreasonably withheld, and any such non-consented assignment shall be void. This Agreement is for the sole benefit of Hart, Castaic and the Property Owner and their successors and assigns (excluding property owners of residential lots within CFD No. 2021-1 who are end users, who shall not be considered to be the successors or assigns of the Property Owner and shall have no rights hereunder), and no other person or entity shall be deemed to be a beneficiary hereof or have an interest herein.

Section 4.5 Notice. Each notice required or permitted by this Agreement to be given or delivered to another Party must be in writing and shall be deemed to have been given or received only upon actual receipt by the recipient Party. A notice from one Party to another must be delivered either by personal delivery (signature requested on delivery receipt) or by registered or certified U.S. Mail (postage prepaid, and return receipt requested). This Section 4.4 does not apply to day-to-day communications between any of the Parties for purposes related to the administration of this Agreement or to service of process in accordance with any law or rule of court. If a Party changes its address or other contact information as shown below in this Section 4.4, that Party must promptly give notice of such change, in accordance with this Section 4.4, to the other Parties. Notices must, as applicable, be addressed as follows:

Hart: William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Attention: Superintendent

Castaic: Castaic Union School District
24039 Avenue Stanford
Santa Clarita, CA 91355
Attention: Superintendent

Property Owner: WH Castaic 497 LLC
21080 Centre Pointe Parkway
Santa Clarita, CA 91350
Attention: Scott Oullette

Section 4.6 Captions. The captions to Sections used herein are for convenience purposes only and are not part of this Agreement.

Section 4.7 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and performed in such State. Any and all actions and other proceedings arising from this Agreement must be initiated and conducted solely in the County of Los Angeles, California.

Section 4.8 Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the Parties with respect to the subject matter of this Agreement.

Section 4.9 Amendments. This Agreement may be amended or modified only in writing executed by the authorized representative(s) of each of the Parties hereto.

Section 4.10 Waiver. The failure of any Party hereto to insist on compliance within any of the terms, covenants or conditions of this Agreement by any other Party hereto, shall not be deemed a waiver of such terms, covenants or conditions of this Agreement by such other Party, nor shall any waiver constitute a relinquishment of any other right or power for all or any other times.

Section 4.11 Cooperation and Execution of Documents. The Parties hereto agree to complete and execute any further or additional documents which may be necessary to complete or further the terms of this Agreement.

Section 4.12 Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference.

Exhibit	Description
“A”	Property Description
“B”	Payment Request Form - Castaic Facilities

Section 4.13 Signatories. The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the party for whom they sign.

Section 4.14 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as evidenced by the signatures below of their respective duly-authorized representatives.

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

By: _____
Collyn Nielsen, Chief Administrative
Officer

Date Signed: _____

CASTAIC UNION SCHOOL DISTRICT

By: _____

Date Signed: _____

WH CASTAIC 497 LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

Date Signed: _____

EXHIBIT "A"

PROPERTY DESCRIPTION

Improvement Area A:

The Property consists of the following Los Angeles County Assessor Parcel Numbers ("APNs"):

2866-062-033

Portion of 3247-032-052*

Portion of 2866-062-032*

*The remaining portions of these APNs are within Improvement Area No. B of Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

Improvement Area B:

The Property consists of the following Los Angeles County Assessor Parcel Numbers ("APNs"):

Portion of 3247-032-052*

Portion of 2866-062-032*

*The remaining portions of these APNs are within Improvement Area A of Community Facilities District No. 2021-1 of the William S. Hart Union High School District.

EXHIBIT "B"

**PAYMENT REQUEST FORM
COMMUNITY FACILITIES DISTRICT NO. 2021-1**

PAYMENT REQUEST FORM - CASTAIC FACILITIES FUND:

[See Attached Castaic Union School District-Property Owner
Verification/Certification of Fee Facilities Amounts]

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PROGRESS PAYMENT
FULL/FINAL PAYMENT

The Fiscal Agent is hereby requested to pay from the Castaic Facilities Fund established by Resolution No. ____ of the Legislative Body of Hart, adopted on _____, and the Fiscal Agent Agreement dated as of _____, executed in accordance therewith, to the person, corporation, or other entity designated below as Payee, the sum set forth below such designation, in payment of the Castaic Costs described below. The amount shown below is due and payable under the Castaic School Facilities Mitigation Agreement and/or the Joint Community Facilities Agreement and authorization with respect to the Castaic Costs described below and has not formed the basis of any prior request for payment of the Castaic Costs or Facilities.

Payee: [Property Owner] or [Castaic]
Address: _____

Amount: \$ _____

Description of Castaic Costs or portion thereof accepted by Community Facilities District No. 2021-1 and authorized to be paid to the Payee: Castaic Costs computed as follows:

Number of: _____ Single Family Detached/Dwelling Units (SF/DUs) _____
Per Parcel Map # _____ x=s \$ _____ per SF/DU = \$ _____

Total Castaic Costs Paid: \$ _____

Executed by Authorized Representative for
Community Facilities District No. 2021-1

-EXHIBIT-

Signature: _____

Name: _____

Title: _____

Dated: _____

Payment Request No.: _____

[Attach to copies of Castaic verification(s)/Property Owner certification(s)]

[Exhibit B (Continued)]

[ON CASTAIC UNION SCHOOL DISTRICT LETTERHEAD]

Verification by CASTAIC UNION SCHOOL DISTRICT

As an authorized representative and on behalf of Castaic Union School District (Castaic), I hereby verify that the above-referenced Castaic Costs amount of \$_____ was previously paid to Castaic by [*Property Owner name*] for Castaic Facilities imposed by Castaic, and such Castaic Costs amounts have not been reimbursed to [*Property Owner name*] (or to any of its successors and assigns).

Dated: _____, 20____

By: _____
Authorized Representative of
Castaic Union School District

Name: _____

Title: _____

[Exhibit B (Continued)]

[ON PROPERTY OWNER LETTERHEAD]

Certification and Representation of [Property Owner]

On behalf of [*Property Owner name*], I hereby certify and represent that the above-referenced Castaic Costs amount of \$_____ was previously paid to Castaic by [*Property Owner name*], and such Castaic Costs amounts have not been previously reimbursed by Castaic to [*Property Owner name*] (or to any of its successors and assigns).

Dated: _____, 20____

By: _____
Authorized Representative of
[*Property Owner name*]

Name: _____

Title: _____

JOINT COMMUNITY FACILITIES AGREEMENT

by and between

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT,

CASTAIC UNION SCHOOL DISTRICT, AND

WH CASTAIC 497 LLC

RELATING TO

COMMUNITY FACILITIES DISTRICT NO. 2021-1

OF THE WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

Dated _____, 2021

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EXHIBIT “B”

SANITATION DISTRICT JCFA

(Continued on following page)

JOINT COMMUNITY FACILITIES AGREEMENT

by and among

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

and

**SANTA CLARITA VALLEY SANITATION DISTRICT
OF LOS ANGELES COUNTY**

and

**WH CASTAIC 497 LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

Dated as of _____ 1, 2021

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

JOINT COMMUNITY FACILITIES AGREEMENT

THIS JOINT COMMUNITY FACILITIES AGREEMENT (this “Facilities Agreement”), dated as of _____ 1, 2021, is by and among the WILLIAM S. HART UNION HIGH SCHOOL DISTRICT, a public school district organized and existing under the laws of the State of California (the “School District”), the SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY, a county sanitation district organized and existing under the laws of the State of California (the “Sanitation District”), and WH CASTAIC 497 LLC, a limited liability company organized and existing under the laws of the State of Delaware (the “Developer”).

WITNESSETH:

WHEREAS, the Developer has requested that the Governing Board of the School District institute proceedings under the Mello-Roos Community Facilities Act of 1982 (the “Act”) to establish a community facilities district;

WHEREAS, pursuant to the Act, the Governing Board of the School District has instituted proceedings (a) to establish Community Facilities District No. 2021-1 of the William S. Hart Union High School District (the “Community Facilities District”), (b) to designate two improvement areas within the boundaries of the Community Facilities District (“Improvement Area A” and “Improvement Area B” and, together, the “Improvement Areas”). (c) to authorize the levy of special taxes within Improvement Area A (the “Improvement Area A Special Taxes”) upon the land within Improvement Area A and the issuance of bonds (the “Improvement Area A Bonds”) secured by the Improvement Area A Special Taxes, the proceeds of which are to be used to finance certain public facilities, and (d) to authorize the levy of special taxes within Improvement Area B (the “Improvement Area B Special Taxes” and, together with the Improvement Area A Special Taxes, the “Special Taxes”) upon the land within Improvement Area B and the issuance of bonds (the “Improvement Area B Bonds” and, together with the Improvement Area A Bonds, the “Bonds”) secured by the Improvement Area B Special Taxes, the proceeds of which are to be used to finance certain public facilities;

WHEREAS, the facilities proposed to be financed by the Community Facilities District through the Improvement Areas include certain school facilities to be owned and operated by the School District (the “School District Facilities”), certain facilities to be owned and operated by the Sanitation District (the “Sanitation District Facilities”) and certain facilities to be owned and operated by certain other public agencies (the “Other Agency Facilities”);

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

WHEREAS, Section 53316.2 of the Act further provides that at any time prior to the adoption of the resolution of formation creating a community facilities district or a resolution of change to alter a district, or a resolution or resolutions authorizing issuance of bonds pursuant to Section 53356 of the Act, the legislative bodies of two or more local agencies may enter into a

joint community facilities agreement pursuant to said Section and Sections 53316.4 and 53316.6 of the Act to exercise any power authorized by the Act with respect to the community facilities district being created if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity;

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

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

WHEREAS, the School District has determined that the School District Facilities will be financed by a larger share of the proceeds of the Special Taxes and the Bonds than the Sanitation District Facilities and that the School District Facilities will be financed by a larger share of the proceeds of the Special Taxes and the Bonds than the Other Agency Facilities to be owned and operated by any other public agency;

WHEREAS, the Developer is developing the property proposed to be included within the boundaries of the Community Facilities District (the “Property”);

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

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

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

Section 1. Issuance of Bonds. It is anticipated that the Community Facilities District will issue Bonds for each of the Improvement Areas to finance the acquisition, construction and installation of the School District Facilities, the Sanitation District Facilities and the Other Agency Facilities. The Governing Board of the School District, acting as the legislative body of the Community Facilities District, shall, in its sole discretion, determine whether, when, under what conditions and to what extent Bonds shall be issued to finance the acquisition, construction and installation of the School District Facilities, the Sanitation District Facilities or the Other Agency Facilities, or any combination thereof. In no event shall the Sanitation District have any right to compel the Community Facilities District to issue Bonds to finance the acquisition, construction and installation of Sanitation District Facilities or to disburse Bond proceeds to pay the costs of the acquisition, construction and installation of Sanitation District Facilities.

Section 2. Sanitation District Facilities. (a) The Sanitation District Facilities, including any real or tangible property which is to be purchased, constructed, expanded or rehabilitated, are described in Exhibit A attached hereto.

(b) It is anticipated that the Community Facilities District will provide Bond proceeds to finance the acquisition, construction and installation of the Sanitation District Facilities. If the Community Facilities District issues Bonds, a portion of the proceeds of which are to be available to finance the acquisition, construction and installation of the Sanitation District Facilities, the School District shall, or shall cause the Community Facilities District to, notify the Sanitation District of the amount of such proceeds available for such purpose within 15 days of such proceeds becoming so available. The School District makes no representation that, if proceeds of Bonds are made available to finance the acquisition, construction and installation of the Sanitation District Facilities, such proceeds will be sufficient to finance the acquisition, construction and installation of all of the Sanitation District Facilities, and neither the School District nor the Community Facilities District shall have any liability to the Sanitation District if such proceeds are insufficient for such purpose. If the Community Facilities District does not issue Bonds to finance the acquisition, construction and installation of the Sanitation District Facilities, neither the School District nor the Community Facilities District shall have any obligation to provide any amounts to finance or pay the costs of the acquisition, construction and installation of the Sanitation District Facilities.

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

Section 3. Disbursements. (a) Improvement Area A Bond proceeds available for the acquisition, construction and installation of the Sanitation District Facilities shall be deposited in a special fund or account (howsoever the same may be denominated, the "Improvement Area A Sanitation District Facilities Account") to be established under the fiscal agent agreement, indenture or other instrument pursuant to which the Improvement Area A Bonds are issued (howsoever the same may be denominated). Moneys on deposit in the Improvement Area A Sanitation District Facilities Account shall be invested and disbursed at the direction of the Community Facilities District.

(b) Improvement Area B Bond proceeds available for the acquisition, construction and installation of the Sanitation District Facilities shall be deposited in a special fund or account (howsoever the same may be denominated, the "Improvement Area B Sanitation District Facilities Account") to be established under the fiscal agent agreement, indenture or other instrument pursuant to which the Improvement Area B Bonds are issued (howsoever the same may be denominated). Moneys on deposit in the Improvement Area B Sanitation District Facilities Account shall be invested and disbursed at the direction of the Community Facilities District.

(c) To the extent that moneys are available therein, the Community Facilities District shall cause disbursements to be made from the Improvement Area A Sanitation District Facilities

Account from time to time to pay the costs of the acquisition, construction and installation of the Sanitation District Facilities upon submission of a written request of the Sanitation District in substantially the form attached hereto as Exhibit B.

(d) To the extent that moneys are available therein, the Community Facilities District shall cause disbursements to be made from the Improvement Area B Sanitation District Facilities Account from time to time to pay the costs of the acquisition, construction and installation of the Sanitation District Facilities upon submission of a written request of the Sanitation District in substantially the form attached hereto as Exhibit B.

(e) The Community Facilities District shall process in a timely manner written requests for disbursements received from the Sanitation District that conform to the requirements hereof.

Section 4. Construction, Ownership and Maintenance of School District Facilities and Sanitation District Facilities. (a) The School District shall have no responsibility for the acquisition, construction and installation of the Sanitation District Facilities. The Sanitation District Facilities shall be and remain the sole and separate property of the Sanitation District and shall be operated, maintained and utilized by the Sanitation District. The School District shall not have any ownership interest in the Sanitation District Facilities, and the School District shall have no responsibility for the operation, maintenance or utilization of the Sanitation District Facilities.

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

Section 5. Tax Matters. (a) In connection with the issuance of any Bonds, a portion of the proceeds of which are to be made available to finance the acquisition, construction and installation of the Sanitation District Facilities, the Sanitation District agrees to execute and deliver such certifications and agreements as may be reasonably required in order for bond counsel to conclude that interest on such Bonds will be excluded from gross income under Section 103 of the Internal Revenue Code of 1986.

(b) Unless the Sanitation District otherwise informs the Community Facilities District at the time of issuance of Bonds, the proceeds of which are to finance Sanitation District Facilities, the Community Facilities District may deem the Sanitation District to have represented at such time that acquisition, construction and installation of the Sanitation District Facilities to be financed with such proceeds will be substantially completed within three years from the date of issuance of such Bonds. The Community Facilities District shall notify the

Sanitation District of the date on which such Bonds are to be issued no later than 15 days prior to such date of issuance.

(c) The Sanitation District represents that the Sanitation District Facilities financed with proceeds the Bonds will not be used for any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities (“Private Use”). The leasing of the Sanitation District Facilities or the access of a person or entity other than a governmental unit to the Sanitation District Facilities or services provided thereby on a basis other than as a member of the general public (“General Public Use”) shall constitute a Private Use unless the Sanitation District obtains an opinion of bond counsel to the contrary. Use of the Sanitation District Facilities in a trade or business constitutes General Public Use only if the property is intended to be available and is in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business.

(d) With respect to management and service contracts, the determination of whether a particular use of the Sanitation District Facilities constitutes Private Use shall be determined on the basis of applying Revenue Procedure 97 13, 1997 1 C.B. 632 (as modified by IRS Notice 2014-67). The Sanitation District represents that, as of the date hereof, no portion of the Sanitation District Facilities is expected to be subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than governmental units) that involve the management of property or the provision of services that do not comply with the standards of Revenue Procedure 97 13 (as modified by IRS Notice 2014-67).

Section 6. Improvement Area A Connection Fee Returns and Credits. (a) Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

“Available Return Amount” means an amount equal to the remainder of (i) the amount of Improvement Area A Bond proceeds deposited in the Improvement Area A Sanitation District Facilities Account, less (ii) \$30,000.

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

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

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

“Subject Units” means the approximately 280 residential units, consisting of single-family homes, to be constructed on the Property within the boundaries of Improvement Area A, for which entitlements have been obtained by the Developer.

(b) If, upon the issuance of Improvement Area A Bonds, proceeds thereof are deposited in the Sanitation District Facilities Account as provided in Section 3(a) hereof, the

Sanitation District shall, within 45 days of such deposit, return to each Connection Fee Payor an amount equal to the Connection Fees paid by such Connection Fee Payor until the total amount so returned is equal to the lesser of (i) the total amount of Connection Fees paid by all such Connection Fee Payors, and (ii) the Available Return Amount; provided, however, that, if the Available Return Amount is less than the total amount of Connection Fees paid by all such Connection Fee Payors, the amount to be returned to each such Connection Fee Payor shall be determined by allocating the Available Return Amount to such Connection Fees in the order of the dates on which such Connection Fees were paid until the amount so allocated is equal to the Available Return Amount.

(c) If, upon the deposit of proceeds of Improvement Area A Bonds in the Improvement Area A Sanitation District Facilities Account as provided in Section 3(a) hereof, the Available Return Amount is greater than the amount required to be returned by the Sanitation District to Connection Fee Payors pursuant to subsection (b) of this Section, the Developer shall be deemed to have paid Connection Fees that would otherwise subsequently become payable for the number of Subject Units equal to the largest whole number that is not greater than the quotient of (i) the Credit Amount, divided by (ii) the Subject Unit Fee Amount as of the date such proceeds of the Bonds were so deposited.

Section 7. Improvement Area B Connection Fee Returns and Credits. (a) Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

“Available Return Amount” means an amount equal to the remainder of (i) the amount of Improvement Area B Bond proceeds deposited in the Improvement Area B Sanitation District Facilities Account, less (ii) \$20,000.

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

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

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

“Subject Units” means the approximately 217 residential units, consisting of single-family homes, to be constructed on the Property within the boundaries of Improvement Area B, for which entitlements have been obtained by the Developer.

(b) If, upon the issuance of Improvement Area B Bonds, proceeds thereof are deposited in the Sanitation District Facilities Account as provided in Section 3(b) hereof, the Sanitation District shall, within 45 days of such deposit, return to each Connection Fee Payor an amount equal to the Connection Fees paid by such Connection Fee Payor until the total amount so returned is equal to the lesser of (i) the total amount of Connection Fees paid by all such Connection Fee Payors, and (ii) the Available Return Amount; provided, however, that, if the

Available Return Amount is less than the total amount of Connection Fees paid by all such Connection Fee Payors, the amount to be returned to each such Connection Fee Payor shall be determined by allocating the Available Return Amount to such Connection Fees in the order of the dates on which such Connection Fees were paid until the amount so allocated is equal to the Available Return Amount.

(c) If, upon the deposit of proceeds of Improvement Area B Bonds in the Improvement Area B Sanitation District Facilities Account as provided in Section 3(b) hereof, the Available Return Amount is greater than the amount required to be returned by the Sanitation District to Connection Fee Payors pursuant to subsection (b) of this Section, the Developer shall be deemed to have paid Connection Fees that would otherwise subsequently become payable for the number of Subject Units equal to the largest whole number that is not greater than the quotient of (i) the Credit Amount, divided by (ii) the Subject Unit Fee Amount as of the date such proceeds of the Bonds were so deposited.

Section 8. Indemnification. (a) The Sanitation District agrees to indemnify, defend and hold the School District and the Community Facilities District, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs which the School District or the Community Facilities District, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the School District or the Community Facilities District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the acquisition, construction, installation, operation, maintenance or utilization of the Sanitation District Facilities. If the Sanitation District fails to do so, the School District and the Community Facilities District shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Sanitation District.

No indemnification is required to be paid by the Sanitation District for any claim, loss or expense arising from the willful misconduct or negligence of the School District or the Community Facilities District, or their respective officers, employees or agents.

(b) The School District agrees to indemnify, defend and hold the Sanitation District, and its officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs which the Sanitation District, or its officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Sanitation District, or its respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the acquisition, construction, installation, operation, maintenance or utilization of the School Facilities. If the School District fails to do so, the Sanitation District shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the School District.

No indemnification is required to be paid by the School District for any claim, loss or expense arising from the willful misconduct or negligence of the Sanitation District, or its officers, employees or agents.

(c) The Developer agrees to indemnify, defend and hold the School District, the Community Facilities District and the Sanitation District, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs which the School District, the Community Facilities District or the Sanitation District, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the School District, the Community Facilities District or the Sanitation District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of any act or omission of the Developer with respect to this Facilities Agreement, the formation of the Community Facilities District, the issuance of the Bonds or the financing of the School Facilities, the Sanitation District Facilities or the Other Agency Facilities. If the Developer fails to do so, the School District, the Community Facilities District and the Sanitation District shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Developer.

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

Section 9. Costs and Expenses. The Developer shall, upon demand therefor, pay, or reimburse the Sanitation District for the payment of (a) the fees and expenses of the Sanitation District's attorneys incurred in connection with the discussion, negotiation, structuring and implementation of the matters covered hereby and the drafting, review and revision of this Facilities Agreement, and (b) the fees and expenses of the Sanitation District's attorneys incurred in connection with the issuance of the Bonds.

Section 10. Nature of Agreement; Allocation of Special Taxes. This Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Act. The entire amount of the proceeds of the Special Taxes shall be allocated and distributed to the School District.

Section 11. Local Debt Policy Certification. In connection with a proposed issuance of Bonds, the Sanitation District shall, upon request of the School District, submit to the School District a certification, as contemplated by paragraph (2) of Section 8855(i) of the California Government Code, that the Sanitation District has adopted the local debt policies described in subparagraphs (C), (D) and (E) of paragraph (1) of Section 8855(i) of the California Government Code, the form of which certification shall be provided by the School District, which form, and the substance of such certification, shall be reasonably satisfactory to the Sanitation District.

Section 12. Third-Party Beneficiary. The Community Facilities District shall be a third-party beneficiary of this Facilities Agreement.

Section 13. Limitation of Rights to Parties. Nothing in this Facilities Agreement expressed or implied is intended or shall be construed to give to any person other than the School District, the Sanitation District, the Developer and the Community Facilities District any legal or equitable right, remedy or claim under or in respect of this Facilities Agreement or any covenant, condition or provision herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the School District, the Sanitation District, the Developer and the Community Facilities District.

Section 14. 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:

If to the School District:

William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, California 91350
Attention: Chief Business Official

If to the Sanitation District:

Santa Clarita Valley Sanitation District
of Los Angeles County
1955 Workman Mill Road
Whittier, California 90601
Attention: Secretary to the Board

If to the Developer:

WH CASTAIC 497 LLC
21080 Centre Pointe Parkway
Santa Clarita, CA 91350
Attn: Scott Ouellette

With a copy to:

John P. Yeager, Esq.
O'Neil LLP
19900 MacArthur Blvd., Suite 1050
Irvine, California 92612

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon

delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (c) if given by any other means, upon delivery at the address specified in this Section.

Section 15. Amendments. This Facilities Agreement may be amended, supplemented or otherwise modified only by an instrument in writing executed and delivered by each of the parties hereto.

Section 16. Assignment. The Developer's rights and obligations hereunder relating to a portion of the Property may be assigned by the Developer to the transferee of the Developer's fee interest in such portion of the Property; provided, however, that such assignment shall become effective unless and until the parties hereto and such assignee have executed an agreement, or an amendment to this Facilities Agreement, specifying the allocation of such rights and obligations hereunder as between the Developer and such assignee.

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

Section 18. California Law. This Facilities Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 19. Severability. If any part of this Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Facilities Agreement shall be given effect to the fullest extent reasonably possible.

Section 20. Successors. This Facilities Agreement shall be binding upon and inure to the benefit of the successors of the parties hereto.

Section 21. Counterparts. This Facilities Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

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

APPROVED AS TO FORM:

**AKTINSON, ANDELSON, LOYA,
RUUD & ROMO**
Attorneys for William S. Hart Union High
School District

By: _____

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

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

ATTEST:

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

**SANTA CLARITA VALLEY
SANITATION DISTRICT OF LOS
ANGELES COUNTY**

By: _____
Chief Engineer and General Manager

ATTEST:

Secretary

APPROVED AS TO FORM:

O'NEIL, LLP
Legal Counsel to WH Castaic 497 LLC

By: _____

**WH CASTAIC 497 LLC,
a Delaware limited liability company**

By: _____
Name:
Title:

EXHIBIT A

DESCRIPTION OF SANITATION DISTRICT FACILITIES

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

EXHIBIT B

FORM OF SANITATION DISTRICT WRITTEN REQUEST

**WRITTEN REQUEST FOR
DISBURSEMENTS FROM A SANITATION DISTRICT FACILITIES ACCOUNT**

Santa Clarita Valley Sanitation District of Los Angeles County (the "Sanitation District"), hereby states and certifies:

(a) that _____, as fiscal agent (the "Fiscal Agent") under the Fiscal Agent Agreement, dated as of _____, 20__ (the "Fiscal Agent Agreement"), by and between Community Facilities District No. 2021-1 of the William S. Hart Union High School District and the Fiscal Agent, the Fiscal Agent is hereby requested to disburse from the [Improvement Area A Sanitation District Facilities Account] [Improvement Area B Sanitation District Facilities Account], established pursuant to the Fiscal Agent Agreement, to the payees set forth on Attachment 1 attached hereto and by this reference incorporated herein, the amount set forth on Attachment 1 opposite each such payee, for payment of such costs incurred for the purposes identified on said Attachment 1;

(b) that each such payment constitutes a cost of the Sanitation District Facilities (as defined in the Fiscal Agent Agreement) and is a proper charge against the [Improvement Area A Sanitation District Facilities Account] [Improvement Area B Sanitation District Facilities Account];

(c) that each such amount has not been the subject of a prior disbursement from the [Improvement Area A Sanitation District Facilities Account] [Improvement Area B Sanitation District Facilities Account]; and

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

**SANTA CLARITA VALLEY
SANITATION DISTRICT OF LOS
ANGELES COUNTY**

By: _____
Authorized Representative

ATTACHMENT 1

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

EXHIBIT “C”

WATER DISTRICT JCFA

(Continued on following page)

JOINT COMMUNITY FACILITIES AGREEMENT

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(WILLIAMS RANCH)

This Joint Community Facilities Agreement (the “Agreement”) is by and between the William S. Hart Union High School District, a California public school district (the “School District”); WH Castaic 497 LLC, a Delaware limited liability company (the “Owner”); and the Los Angeles County Waterworks District No. 36, Val Verde (the “Participating Agency”).

RECITALS:

WHEREAS, the Board of Trustees of the School District is undertaking proceedings to form the School District Community Facilities District No. 2021-1 (Williams Ranch) (the “CFD”), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), being Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, and the School District intends to issue bonds of the CFD (the “Bonds”) under the Act in order to finance the acquisition of various water system improvements (the “Water Improvements”), as set forth in Exhibit A to this Agreement, necessitated by the proposed Williams Ranch development (the “Project”) in the School District; and

WHEREAS, the parties hereto expect that the Participating Agency may accept transfer of ownership and subsequently operate the Water Improvements upon their completion in compliance with the Participating Agency’s terms and conditions for acceptance of such Water Improvements, and only if such Water Improvements are constructed to the full and complete satisfaction of the Participating Agency; and

WHEREAS, Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district, or services to be provided by an entity other than the agency that created the district, or any combination, only pursuant to a joint community facilities agreement or a joint exercise of powers agreement; and

WHEREAS, the School District and the Participating Agency now desire to enter into this Agreement to satisfy the requirements of Section 53316.2 of the Act.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing and mutual covenants set forth below, the parties hereto do hereby agree as follows:

Section 1. Acceptance Pre-Conditions. The Participating Agency will, in its sole and absolute discretion, establish terms, conditions and standards for acceptance of the Water Improvements (collectively, the “Acceptance Pre-Conditions”). Nothing in this Agreement is intended to limit the Participating Agency’s ability to establish or determine any Acceptance Pre-

Condition. Therefore, the Participating Agency will have complete and absolute discretion in setting the Acceptance Pre-Conditions. The Participating Agency shall not have any liability whatsoever with respect to any work performed in connection with the Water Improvements; provided that this Agreement shall in no way limit any rights the Participating Agency may have against any persons or entities in respect of the acquisition or construction of the Water Improvements if the Participating Agency accepts title to and control over such Water Improvements.

Section 2. Completion and Acceptance. Upon completion of construction of the Water Improvements and the satisfaction of all Acceptance Pre-Conditions to the full and complete satisfaction of the Participating Agency, the Participating Agency may, in its sole discretion and without any obligation whatsoever, accept dedication of the Water Improvements in accordance with its customary procedures, including, without limitation, imposing its rules and regulations applicable within its territorial jurisdiction, conditioned in any event upon the passage to the Participating Agency of fee title to the Water Improvements clear of all encumbrances not otherwise acceptable to the Participating Agency in its sole discretion. Prior to complete fulfillment of all Acceptance Pre-conditions and formal acceptance by the Participating Agency, acting through the Los Angeles County Board of Supervisors (the “Board Acceptance”), of the Water Improvements, the Participating Agency shall have no obligation to own, operate or maintain the Water Improvements or incur any liability relating thereto. After transfer of the Water Improvements to the Participating Agency, if at all, the Water Improvements and the customers that the Water Improvements will serve are subject to the Los Angeles County Waterworks Rules and Regulations (“Rules and Regulations”), including but not limited to all fees, charges; and no third party or Participating Agency customer is entitled to have any Rules and Regulation fees or charges offset, waived, or otherwise paid by the fees, charges, taxes, bonds, or any other monies paid, or obligated to be paid, to the CFD.

This Agreement shall create no obligation at any time for the Participating Agency to own, operate or maintain any private onsite school water facilities.

Section 3. Termination. Notwithstanding any other provision of this Agreement, this Agreement shall cease to be effective and shall terminate if the first series of the Bonds are not issued by December 31, 2030.

Section 4. No Obligation to Form CFD, Provide Water or Pay Bonds. The provisions of this Agreement shall in no way obligate the School District or the Participating Agency to form the CFD or to construct the Water Improvements. Furthermore, this Agreement shall in no way obligate the Participating Agency to provide water service to the Project or to repay the Bonds. The Participating Agency shall not have any liability whatsoever with respect to the Bonds or with respect to any work performed in connection with the Water Improvements. The Bonds will be an obligation of the CFD, payable solely from special taxes levied on property in the CFD and other amounts pledged under the documents providing for the issuance of the Bonds, and all such special taxes will be used by the School District as specified in the proceedings to form the CFD. No amounts have been or will be pledged by the Participating Agency towards the repayment of the Bonds. The Participating Agency shall have no obligation, responsibility, or authority with respect to the formation of the CFD, the issuance and sale of the Bonds, or the payment of the principal

and interest thereon, or for the levy and collection of the special taxes to provide for the payment of principal and interest thereon, or the provision of disclosure pertaining to such special taxes or bonds, and the CFD shall have the sole authority and responsibility for all such matters. Participating Agency shall not be responsible or liable for any shortfall if the Bonds are not sufficient to fund the total price of the Water Improvements; such responsibility and liability shall be and remain with the Owner. It is understood and agreed by the parties hereto that the Participating Agency will not be considered a participant in the proceedings relative to formation of the CFD or issuance of the Bonds, other than as a party to this Agreement. This Agreement in no way binds the County of Los Angeles, a legal entity separate and apart from the Participating Agency.

It is understood and agreed by the parties hereto that issuance of the Bonds shall in no way be a precondition to or otherwise have any bearing on the transfer of the Water Improvements to the Participating Agency should the Participating Agency accept such transfer.

Notwithstanding the foregoing, by their respective execution of this Agreement, the School District and the Participating Agency each declare that this Agreement is beneficial to the residents to be served by the Water Improvements within their respective jurisdictions.

Section 5. Tax Matters.

(a) In connection with the issuance of any tax-exempt Bonds, a portion of the proceeds of which are to be made available to finance the Water Improvements, the Participating Agency may be requested to execute and deliver such certifications, agreements, or other requirements as may be reasonably required in order for bond counsel to conclude that interest on such Bonds will be excluded from gross income under Section 103 of the Internal Revenue Code of 1986 and any other provision of law. If the Participating Agency is unable to execute and deliver such certifications, agreements and requirements, Owner acknowledges Bonds will be issued to finance the Water Improvements on a taxable basis.

(b) Bonds shall not be issued for which the proceeds are to be made available to finance the Water Improvements until the Owner has completed the Water Improvements and they have been transferred to the Participating Agency in fee at no cost to the Participating Agency.

(c) The Participating Agency represents that the Water Improvements financed with proceeds of the Bonds will not be used for any activity that constitutes a trade or business that is carried on by persons or entities, other than governmental entities (“Private Use”). The leasing of the Water Improvements or the access of a person or entity other than a governmental unit to the Water Improvements or services provided thereby on a basis other than as a member of the general public (“General Public Use”) shall constitute a Private Use unless the CFD or Participating Agency obtains an opinion of bond counsel to the contrary. Use of the Water Improvements in a trade or business constitutes General Public Use only if the property is intended to be available and is in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business.

(d) With respect to management and service contracts, the determination of whether a particular use of the Water Improvements constitutes Private Use shall be determined on the basis of applying

Revenue Procedure 97 13, 1997 1 C.B. 632 (as modified by IRS Notice 2014-67). The Participating Agency represents that, as of the date hereof, no portion of the Water Improvements is expected to be subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than governmental units) that involve the management of property or the provision of services that do not comply with the standards of Revenue Procedure 97 13 (as modified by IRS Notice 2014-67).

Section 6. Indemnification. Owner and the School District undertake and agree to indemnify, defend and hold harmless the Participating Agency, the County of Los Angeles, the Los Angeles County Board of Supervisors, its board members, officers, employees and staff (individually and collectively, "Participating Agency Indemnitees") from any and all claims, expenses and liability, including without limitation defense costs and legal fees, arising from or relating to claims arising from the formation of the CFD, authorization of the levy of special taxes and the issuance of the Bonds, administration of the CFD and the Bonds, levy of the special taxes and the issuance of the Bonds, and issuance and administration of the Bonds, and the initial and continuing disclosure obligations related to such Bonds. Owner further undertakes and agrees to indemnify, defend and hold harmless the Participating Agency Indemnitees from any and all claims, expenses and liability, including without limitation defense costs and legal fees, arising from or in any way connected with the design, construction, installation or dedication of the Water Improvements.

Section 7. Amendment. This Agreement may be amended at any time but only in writing signed by each party hereto.

Section 8. Severance. In the event that this Agreement is challenged in a court of competent jurisdiction ("court") and any part is found by the court to be unenforceable, or otherwise invalid, then the entire Agreement will be invalid, and the parties will return to their pre Agreement positions.

Section 9. Notice. Any notice required or permitted by this Agreement to be given or delivered to any party hereto shall be deemed to have been received when personally delivered or upon deposit of the same in the United States Post Office registered or certified, postage prepaid, addressed as follows:

If to School District: William S. Hart Union High School District
21380 Centre Pointe Parkway
Santa Clarita, CA 91350
Attn: Chief Business Official

If to Participating Agency: Los Angeles County Waterworks Districts
Attn: Russ Bryden, Assistant Deputy Director
1000 S. Fremont Avenue, Building A-9E, 4th Floor
Alhambra, CA 91803

with a copy to: Office of the Los Angeles County Counsel

500 W. Temple Street, 6th Floor
Los Angeles, CA 90012
Attn: Public Works Division

If to Owner:

WH Castaic 497 LLC
21080 Centre Pointe Parkway
Santa Clarita, CA 91350
Attn: Scott Ouellette

Any party can change its address for delivery of notice by delivering a written notice of such change or address to the other party hereto.

Section 10. Captions. The captions to Sections used herein are for convenience purposes only and are not part of this Agreement.

Section 11. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and performed in such State.

Section 12. Waiver. The failure of any party hereto to insist on compliance with any of the terms, covenants or conditions of this Agreement by any other party hereto, shall not be deemed a waiver of such terms, covenants or conditions of this Agreement by such other party, nor shall any waiver constitute a relinquishment of any other right or power for all or any other times.

Section 13. Third Parties; Assignment. This Agreement is not intended to, nor does it create any third party rights, obligations, or entitlements. This Agreement may not be assigned without the prior written consent of the parties hereto.

Section 14. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the matters provided for herein and supersedes all prior or contemporaneous agreements and negotiations between the parties hereto with respect to the subject matter of this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, duly authorized, by the WILLIAM S. HART UNION HIGH SCHOOL DISTRICT on _____, 2021, and by the LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE, on _____, 2021.

LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 36,
VAL VERDE

By: _____

ATTEST:

CELIA ZAVALA
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: _____
Deputy

WILLIAM S. HART UNION HIGH
SCHOOL DISTRICT

By: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

WH CASTAIC 497 LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

DESCRIPTION OF WATER IMPROVEMENTS

1. 16-inch Water Transmission main of approximately 7,700 linear feet from unused Santa Clarita Valley Water Agency supply turnout to existing 16-inch main at Los Valles Drive and Hasley Canyon Road.
2. Pump station facility in CMU building, including pumps, piping, utility connections, and any necessary appurtenances.