

ATTACHMENT 7

LANDOWNER'S PETITION & WAIVER

**PETITION TO CREATE A
COMMUNITY FACILITY DISTRICT
(INCLUDING CONSENT AND WAIVER) AND
CANCEL THE SPECIAL TAX LIEN OF
CITY OF PERRIS
COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER)**

January 28, 2021

City Council of the
City of Perris
101 N. D Street
Perris, California 92570

Members of the City Council:

This letter shall serve as a formal petition (the "Petition") requesting that the City Council of the City of Perris (the "Council"), acting as legislative body of the City of Perris Community Facilities District No. 2006-3 (Alder) ("CFD No. 2006-3"), institute proceedings pursuant to the provisions of 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 with Section 53311) of the California Government Code to create a new community facilities district to replace CFD 2006-3 and, concurrent with or immediately after the creation of the new community facilities district, dissolve CFD No. 2006-3. The undersigned landowner does hereby certify under penalty of perjury that the following statements are all true and correct:

1. This Petition is submitted by D.R. Horton Los Angeles Holding Company, Inc., a California corporation (the "Petitioner"), as the record owner of 100% of the area of land proposed to be included within the new community facilities district and which is currently within CFD No. 2006-3 (the "Property"). The Property is identified in Exhibit A attached hereto and hereby made a part of this Petition.

2. The Petitioner has the power and authority to execute and deliver this Petition to the Council of the City of Perris (the "City") and to give the consent and waiver contained herein with respect to the community facilities district to be established under the Act and designated as "Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris" (the "District"), which such District will include the Property. Moreover, the Petitioner has taken all action necessary to cause this Petition to be executed and delivered on its behalf, and this Petition has been duly and validly executed and delivered on behalf of the Petitioner.

3. Petitioner desires to dissolve CFD No. 2006-3 and permanently remove the CFD No. 2006-3 special tax lien from the Property. In connection with the foregoing, Petitioner hereby requests that the Council institute proceedings pursuant to the Act to dissolve CFD No. 2006-3 and permanently remove the CFD No. 2006-3 special tax lien from the Property by recording a Notice of Cessation of Special Tax in the Riverside County Recorder's Office for the Property concurrent with or immediately after the conclusion of the public hearing or special election for formation of the District.

4. The Petitioner hereby certifies that as of the date indicated opposite his/her signature, the landowner listed herein is the owner of all of the Property to be included in the District, which such boundary is further delineated in Exhibit A.

5. The Petitioner, pursuant to Section 53318 of the Act, hereby requests that the proceedings be commenced (i) to establish the District for the purpose of financing public facilities to be owned and operated by the City and/or the Eastern Municipal Water District described in Exhibit B hereto (the "Facilities") and the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, (ii) to authorize the levy of special taxes within the District to finance the Facilities, (iii) to authorize the issuance of bonds of the District and (iv) to establish an appropriations limit for the District.

6. The Petitioner agrees that it has reviewed the proposed Rate and Method of Apportionment of Special Tax for the District (the "RMA") attached hereto as Exhibit C and made a part hereof, which RMA is proposed to be used by the City to levy the special tax in the District to pay for the Facilities and other authorized purposes. The final RMA will be approved at the completion of all proceedings to form the District by the City under the Act.

7. The Petitioner hereby requests that the special elections to be held under the Act to authorize the special taxes, to authorize the issuance of the bonds and to establish an appropriations limit for the District be consolidated into a single election.

8. In accordance with the provisions of the Act, and specifically Sections 53326(a) and 53327(b) thereof allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a community facilities district and concurrence of the election official conducting the election, the Petitioner (i) expressly consents to the conduct of the special election at the earliest possible time following the adoption by the Council of a resolution of formation establishing the District and (ii) expressly waives any requirement to have the special election conducted within the time periods specified in Section 53326 of the Act or in the California Elections Code.

9. The Petitioner waives any requirement for the mailing of the ballot for the special election and expressly agrees that said election may be conducted by mailed or hand-delivered ballot to be returned as quickly as possible to the designated election official, being the office of the City Clerk and the Petitioner requests that the results of said election be canvassed and reported to the Council at the same meeting of the Council as the public hearing on the formation of the District or the next available meeting.

10. The Petitioner expressly waives all applicable waiting periods for the election and waives the requirement for analysis and arguments relating to the special election, as set forth in Section 53327 of the Act or required by the California Government Code or California Elections Code, and consents to not having such materials provided to the landowner in the ballot packet, and expressly waives any requirements as to the form of the ballot.

11. The Petitioner expressly waives all notice requirements relating to hearings and special elections, whether by posting, publishing or mailing, and whether such requirements are found in the California Elections Code, the California Government Code or other laws or

procedures, including but limited to any notice provided for by compliance with the provisions of Section 4101 of the California Elections Code.

12. The Petitioner represents and warrants that there are no registered voters residing on the Property and that it is the legal owner of the fee interest in one hundred percent (100%) of the Property proposed to be included in the District and that no other person or entity is the legal owner of all or any portion of the fee interest in any of such property. The Petitioner warrants that there are no liens or encumbrances on the Property in the favor of any lender, including but not limited to any deeds of trust, mortgages, or liens of a similar nature.

13. The Petitioner represents and warrants that there is no outstanding debt on the Property.

14. The Petitioner represents and warrants that the execution of this Petition and the casting of ballots by the Petitioner at the property owner election for the formation of the District shall not constitute an event of default or delinquency under any existing financing documents entered into by Petitioner secured by the land owned by the Petitioner within the District, including any "due-on-encumbrance" clause.

15. The Petitioner agrees to cooperate with the City, its attorneys and consultants, and provide all information and disclosures reasonably required by the City disclosing the special tax to purchasers of property in the district that are subject to the special tax.

16. The Petitioner agrees to execute such additional or supplemental agreements as may be required by the City to provide for any actions and conditions under this petition. The Petitioner further agrees that this petition shall not be considered as filed with the City for purposes of commencing proceedings for the District under the Act unless and until deemed filed by the City in its absolute discretion.

17. It is the Petitioner's intention to proceed as quickly as possible with forming the District and permanently removing the CFD No. 2006-3 special tax lien from the Property no later than March 31, 2021.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, we hereunto set our hands this January 28, 2021.

**D.R. HORTON LOS ANGELES HOLDING
COMPANY, INC.**, a California corporation

By: 
Barbara M. Murakami, Vice President

The formation encompasses the following property owned by the Petitioner:

Assessor's Parcel Number(s):

311-470-001	311-472-010	311-161-001	311-161-029
311-470-002	311-472-011	311-161-002	311-161-030
311-470-003	311-472-012	311-161-003	311-161-031
311-470-004	311-472-013	311-161-004	311-161-032
311-470-005	311-472-014	311-161-005	311-161-033
311-470-006	311-472-015	311-161-006	311-161-034
311-470-007	311-472-016	311-161-007	311-161-035
311-470-008	311-472-017	311-161-008	311-162-001
311-470-023	311-472-018	311-161-009	311-162-002
311-470-024	311-472-019	311-161-010	311-162-003
311-471-001	311-472-020	311-161-011	311-162-004
311-471-002	311-472-021	311-161-012	311-162-005
311-471-003	311-340-012	311-161-013	311-162-006
311-471-004	311-340-013	311-161-014	311-162-007
311-471-005	311-340-014	311-161-015	311-162-008
311-471-006	311-340-015	311-161-016	311-162-009
311-471-007	311-340-016	311-161-017	311-162-010
311-471-008	311-340-017	311-161-018	311-162-011
311-471-009	311-340-018	311-161-019	311-162-012
311-471-010	311-340-019	311-161-020	311-162-013
311-471-011	311-340-020	311-161-021	311-162-014
311-471-012	311-340-021	311-161-022	311-162-015
311-472-001	311-340-022	311-161-023	311-162-016
311-472-002	311-340-023	311-161-024	311-162-017
311-472-003	311-340-024	311-161-025	311-162-018
311-472-004	311-340-025	311-161-026	311-162-019
311-472-005	311-340-026	311-161-027	311-162-020
		311-161-028	311-162-021
			311-162-022

The address of the above owner for receiving notices is:
Attention: Barbara M. Murakami
2280 Wardlow Circle, Suite 100
Corona, CA 92878

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF PERRIS THIS 28
DAY OF JANUARY, 2021.

City Clerk

EXHIBIT A
PROPOSED BOUNDARY OF THE DISTRICT

[SEE ATTACHED]

EXHIBIT B

TYPES OF PUBLIC FEES AND FACILITIES

The General Description of the Facilities that may be acquired or constructed is as follows:

- Street facilities, including, but not limited to, major arterials, highways, bridge facilities, regional transportation facilities and streets, intersections, access ramps, roadways, sidewalk, curb, gutters, striping, lighting, traffic signalization, signage, landscaping of public streets and rights-of-way and appurtenant facilities;
- Storm control facilities, including, but not limited to, storm drains, channels, detention, headwalls, riprap pads, water quality basins, retention and/or catch basins and appurtenant facilities;
- Sewer improvements, sanitary sewers, including, but not limited to, lift stations, force mains, pump stations, transmission and main lines, valves, and appurtenant facilities;
- Domestic water facilities, including, but not limited to, reservoirs, pump stations, transmission lines, distribution facilities, main lines, valves, fire hydrants and appurtenant facilities;
- Park, recreational facilities, trails, open space and appurtenant facilities;
- Impact and other City or public agency fees, including but not limited to, Transportation Uniform Mitigation Fees, Development Impact Fees, school fees, water fees, drainage fees, sewer treatment and connection fees, water supply fees, water meter fees, water connection fees, storm drain fees, capital facilities' fees and other city or public agency fees and all capital facilities which are part of these fee programs and capital improvement programs;
- Incidental expenses;
- City facilities.

OTHER

The District may also finance any of the following:

1. Bond related expenses, including underwriters' discount, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel, special tax consultant fees and expenses, dissemination agent fees and all other incidental expenses.

2. Administrative fees of the City and the Bond trustee or fiscal agent related to the District and the Bonds.

3. Reimbursement of costs related to the formation of the District advanced by the City or any related entity, or any landowner or developer within the District, as well as reimbursement of any costs advanced by the City or any related entity, or any landowner or developer within the District, for facilities or other purposes or costs of the District.

This description of the public capital facilities is general in nature. The final nature and location of improvements and facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the city officer's report, containing a brief description of the facilities which will be required to adequately meet the needs of the District.

EXHIBIT C

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)**

[SEE ATTACHED]

ATTACHMENT 8

LANDOWNER'S BALLOT

OFFICIAL BALLOT

COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)
OF THE CITY OF PERRIS

SPECIAL BOND, SPECIAL TAXES AND APPROPRIATIONS LIMIT ELECTION
March 30, 2021

To vote, mark a cross (+) in the voting square after the word "YES" or after the word "NO."
All marks otherwise made are forbidden.

This ballot is provided to D.R. Horton Los Angeles Holding Company, Inc., a California corporation, as sole owner or authorized representative of such sole owner of 22.70 acres of land within Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris and represents 23 votes. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Perris at 101 North "D" Street, Perris, California 92570.

PROPOSITION A: Shall the measure entitled Proposition A authorizing Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (the "CFD") to incur an indebtedness and issue bonds in the maximum aggregate principal amount of \$5,000,000 at interest rates not to exceed the maximum rate permitted by law to finance the authorized facilities and incidental expenses; levy a special tax of up to \$2,446 per residential unit, with different rates by square footage of property, plus annual increases, as described in the Rate and Method of Apportionment of the Special Taxes for the CFD, raising approximately \$231,188 annually, plus permitted adjustments, for forty (40) years, to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of the authorized facilities and incidental expenses; and establish an appropriations limit for the CFD in an amount of \$5,000,000, all as specified in the City of Perris' Resolution Nos. 5756 and 5757 adopted on February 9, 2021 and Resolution calling the election adopted on March 30, 2021 be adopted?

YES

NO

ATTACHMENT 9

CFD REPORT



CITY OF
Perris

CFD Report

City of Perris Community Facilities District No. 2021-1 (Avion Pointe/Acacia)

February 2021

Prepared by:



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I. Introduction

WHEREAS, the City Council of the City of Perris (hereinafter referred to as the “City Council”), in the State of California, did, pursuant to the terms and provisions of Chapter 2.5 of Part 1, of Division 2, of Title 5 of the Government Code of the State of California, as amended (the “Act”), adopt a Resolution of Intention for the proposed formation of City of Perris Community Facilities District No. 2021-1 (Avion Pointe/Acacia) (“CFD No. 2021-1”).

WHEREAS, this Community Facilities District Report (“Report”) is being provided to the City Council and generally contains the following:

1. A brief description of CFD No. 2021-1;
2. A brief description of the Facilities (defined below) required at the time of formation to meet the needs of CFD No. 2021-1.
3. A brief description of the boundaries of CFD No. 2021-1; and
4. An estimate of the cost of financing the bonds used to pay for the Facilities, including all costs associated with formation of CFD No. 2021-1, issuance of bonds, determination of the amount of any special taxes, collection of any special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the City with respect to CFD No. 2021-1, and any other incidental expenses to be paid through the proposed financing.

For particulars, reference is made to the Resolution of Intention, Resolution No. 5756, as previously approved. All capitalized terms not defined herein are defined in the Rate and Method of Apportionment of Special Tax section (Exhibit C) of this report.

NOW THEREFORE Willdan Financial Services, the appointed responsible firm directed to prepare the Report, pursuant to the provisions of the Act, does hereby submit the following:

II. General Description & Boundaries of CFD No. 2021-1

A description of the exterior boundaries of the territory proposed for inclusion in CFD No. 2021-1, including properties and parcels of land proposed to be subject to the levy of a Special Tax by CFD No. 2021-1, is shown on the boundary maps designated as "PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA), COUNTY OF RIVERSIDE, STATE OF CALIFORNIA", which is on file in the office of the Clerk of the City Council of the City of Perris and was recorded with the County Recorder of the County of Riverside on March 17, 2021, in Book 86 of Maps of Assessment and Community Facilities Districts at Pages 47-49 and as Instrument Number 2021-0170673. Copies of the maps are attached hereto as Exhibit A and hereby incorporated by reference.

III. Description of Facilities

The General Description of the Facilities that may be acquired or constructed is as follows:

Street facilities, including, but not limited to, major arterials, highways, bridge facilities, regional transportation facilities and streets, intersections, access ramps, roadways, sidewalk, curb, gutters, striping, lighting, traffic signalization, signage, landscaping of public streets and rights-of-way and appurtenant facilities;

- Storm control facilities, including, but not limited to, storm drains, channels, detention, headwalls, riprap pads, water quality basins, retention and/or catch basins and appurtenant facilities;
- Sewer improvements, sanitary sewers, including, but not limited to, lift stations, force mains, pump stations, transmission and main lines, valves, and appurtenant facilities;
- Domestic water facilities, including, but not limited to, reservoirs, pump stations, transmission lines, distribution facilities, main lines, valves, fire hydrants and appurtenant facilities;
- Park, recreational facilities, trails, open space and appurtenant facilities;
- Impact and other City or public agency fees, including but not limited to, Transportation Uniform Mitigation Fees, Development Impact Fees, school fees, water fees, drainage fees, sewer treatment and connection fees, water supply fees, water meter fees, water connection fees, storm drain fees, capital facilities' fees and other city or public agency fees and all capital facilities which are part of these fee programs and capital improvement programs;
- Incidental expenses;
- City facilities.

The District may also finance any of the following:

1. Bond related expenses, including underwriters' discount, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel, special tax consultant fees and expenses, dissemination agent fees and all other incidental expenses.
2. Administrative fees of the City and the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the City or any related entity, or any landowner or developer within the District, as well as reimbursement of

any costs advanced by the City or any related entity, or any landowner or developer within the District, for facilities or other purposes or costs of the District.

This description of the public capital facilities is general in nature. The final nature and location of improvements and facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the city officer's report, containing a brief description of the facilities which will be required to adequately meet the needs of the District.

IV. Cost Estimates

The proceeds of CFD No. 2021-1 will be used to fund public facilities through the payment of development impact fees for the Project.

The estimated facilities budget for CFD No. 2021-1 is approximately \$3.4 million in development impact fees, as detailed in Exhibit B of this Report.

V. Rate and Method of Apportionment of Special Tax

The Rate and Method of Apportionment (RMA) for each improvement area provides sufficient information to allow a property owner within CFD No. 2021-1 to estimate the Maximum Special Tax for his or her property. It also includes method of prepayment in full or prepayment in part and the procedure for prepayments.

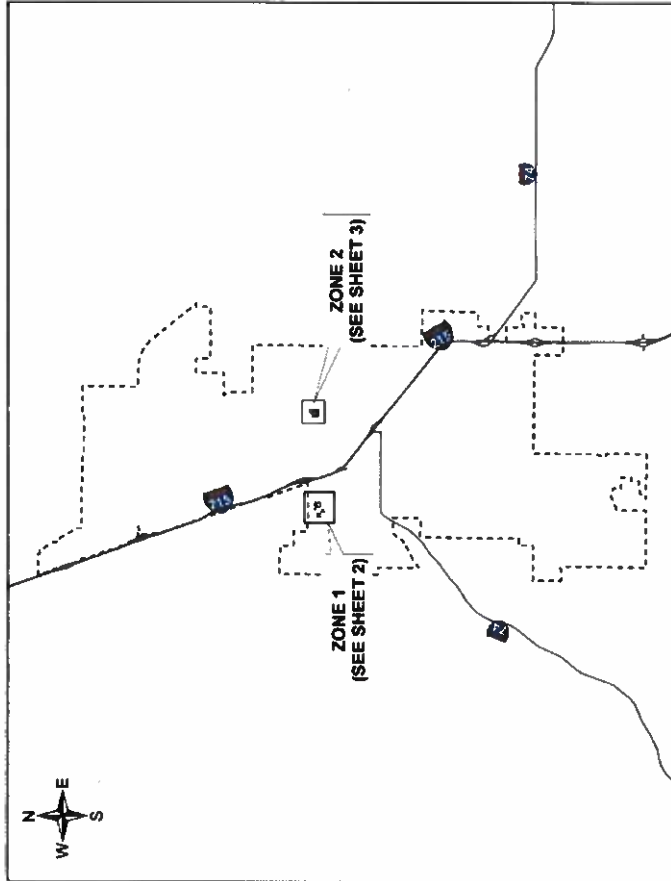
For particulars on the rate and method of apportionment for each improvement area, reference is made to Exhibit C of this report.

EXHIBIT A

Boundary Map

**MAP OF PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(AVION POINTE/ACACIA)**

CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 20____.

I HEREBY CERTIFY THAT THE ATTACHED MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA), CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PERRIS AT A REGULAR MEETING AND RESOLUTION HELD ON THE _____ DAY OF _____, 20____ BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF PERRIS

FILED THIS _____ DAY OF _____, 20____ AT THE HOUR OF _____ O'CLOCK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT NO. 2021-1 IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

PETER ALDAMA, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

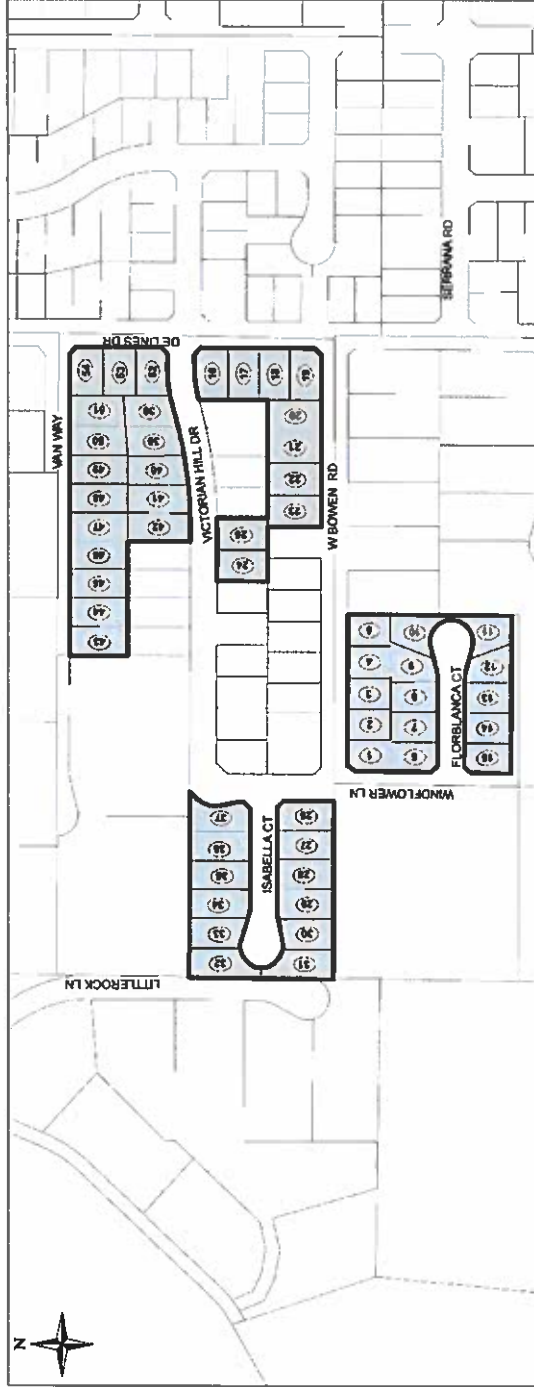
THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINE AND DIMENSIONS OF SUCH LOTS OR PARCELS.



**MAP OF PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(AVION POINTE/A CACIA)
CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

ZONE 1

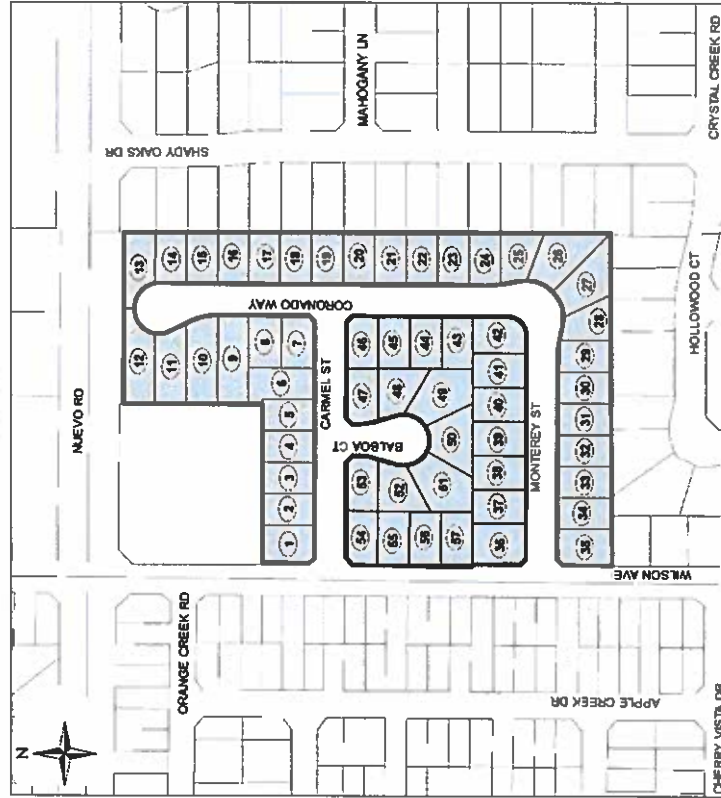


MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER	ASSESSOR'S MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	311-346-013	38	311-472-011
2	311-346-014	39	311-472-012
3	311-346-015	40	311-472-013
4	311-346-016	41	311-472-014
5	311-346-017	42	311-472-015
6	311-346-018	43	311-472-016
7	311-346-019	44	311-472-017
8	311-346-020	45	311-472-018
9	311-346-021	46	311-472-019
10	311-346-022	47	311-472-020
11	311-346-023	48	311-472-021
12	311-346-024	49	311-472-022
13	311-346-025	50	311-472-023
14	311-346-026	51	311-472-024
15	311-346-027	52	311-472-025
16	311-346-028	53	311-472-026
17	311-346-029	54	311-472-027
18	311-346-030		

Legend
 Zone 1 Boundary
 Map Reference Number

**MAP OF PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(AVION POINTE/ACACIA)
CITY OF PERRIS
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

ZONE 2



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER	ASSESSOR'S PARCEL NUMBER	
1	311-161-001	30	311-161-030
2	311-161-002	31	311-161-031
3	311-161-003	32	311-161-032
4	311-161-004	33	311-161-033
5	311-161-005	34	311-161-034
6	311-161-006	35	311-161-035
7	311-161-007	36	311-162-001
8	311-161-008	37	311-162-002
9	311-161-009	38	311-162-003
10	311-161-010	39	311-162-004
11	311-161-011	40	311-162-005
12	311-161-012	41	311-162-006
13	311-161-013	42	311-162-007
14	311-161-014	43	311-162-008
15	311-161-015	44	311-162-009
16	311-161-016	45	311-162-010
17	311-161-017	46	311-162-011
18	311-161-018	47	311-162-012
19	311-161-019	48	311-162-013
20	311-161-020	49	311-162-014
21	311-161-021	50	311-162-015
22	311-161-022	51	311-162-016
23	311-161-023	52	311-162-017
24	311-161-024	53	311-162-018
25	311-161-025	54	311-162-019
26	311-161-026	55	311-162-020
27	311-161-027	56	311-162-021
28	311-161-028	57	311-162-022
29	311-161-029		



Legend
 Zone 2 Boundary
 Map Reference Number



EXHIBIT B

Preliminary CFD Budget

City of Perris (1)	Per Unit	No. Units	Total
Police	\$ 59	106	\$ 6,254
Fire	362	106	38,372
Community Amenities	1,120	106	118,720
Government Facilities	576	106	61,056
Parks	7,677	106	813,776
Transportation Facilities	4,025	106	426,650
<i>Sub-Total:</i>	<i>\$ 13,819</i>		<i>\$ 1,464,828</i>
2021 Eastern Municipal Water District Fees (2)	Per Unit	No. Meters/Units	Total
Water Financial Participation	\$ 5,584	106	\$ 591,904
Sewer Financial Participation	2,958	106	313,548
Sewer Treatment Plant Capacity	6,027	106	638,862
Water Supply Development Fee	300	106	31,800
Water Meter Fee	377	106	39,962
<i>Sub-Total:</i>	<i>\$ 15,246</i>		<i>\$ 1,616,076</i>
City Facilities (Zone 2)			Total
Remaining Proceeds for Nuevo Rd./Wilson Ave. Improvements			\$ 319,599
<i>Sub-Total:</i>			<i>\$ 319,599</i>
TOTAL AUTHORIZED FEES	\$ 32,080	106	\$ 3,400,503

(1) Per the current City of Perris Development Impact Fee schedule

(2) Per the current 2021 EMWD Fee schedule

EXHIBIT C

Rate and Method of Apportionment

CFD No. 2021-1

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)

A Special Tax shall be levied on all Taxable Property within the boundaries of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (“CFD No. 2021-1”) and collected each Fiscal Year commencing in Fiscal Year 2021-22, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2021-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Acre**” or “**Acreage**” means the 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 land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the following actual or reasonably estimated costs related to the administration of CFD No. 2021-1 including, but not limited to: the costs of preparing and computing the Annual Special Tax (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2021-1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2021-1, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2021-1, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2021-1, or any designee thereof related to an appeal of the Special Tax; and the City’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2021-1 for any other administrative purposes of CFD No. 2021-1, including attorney’s fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor**” means the Assessor of the County of Riverside.

“**Assessor's Parcel**” means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

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

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

“Assigned Special Tax” means the Special Tax of that name described in Section 3.A below.

“Backup Special Tax” means the Special Tax of that name described in Section 3.B below.

“Bonds” means any bonds or other Debt of CFD No. 2021-1, whether in one or more series, secured by the levy of Special Taxes.

“Boundary Map” means the map of the boundaries of CFD No. 2021-1 recorded on March 17, 2021, in the Riverside County Recorder's Office in Book 86, Page 47-49, of Maps of Assessments and Community Facilities Districts (instrument number 2021-0170673).

“Building Permit” means a building permit for construction of a Residential Unit within CFD No. 2021-1 issued by the City.

“Building Square Footage” means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such Assessor's Parcel and/or by reference to appropriate records kept by the City.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“CFD No. 2021-1” means the Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris.

“City” means the City of Perris, California.

“Council” means the City Council of the City acting as the legislative body of CFD No. 2021-1 under the Act.

“County” means the County of Riverside, California.

“Debt” means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, 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.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1 of the previous Fiscal Year. An Assessor's Parcel classified as Developed Property but for which the Building Permit that caused such Assessor's Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification

shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor's Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

"Exempt Property" means for each Fiscal Year, all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section 8 below.

"Final Map" means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

"Fiscal Year" means the period starting on July 1 and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Land Use Class" means any of the classes listed in Table 1 under Section 3 below.

"Lot" means a parcel created by a Final Map on which a Residential Unit can be constructed.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor's Parcel of Taxable Property.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for the purpose of constructing one or more non-residential units or facilities.

"Outstanding Bonds" means all Bonds, which are deemed to be outstanding under the Indenture.

"Prepayment Amount" means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel as described in Section 6.A below.

"Property Owner Association Property" means any Assessor's Parcel within the boundaries of CFD No. 2021-1 owned in fee by a property owner association, including any master or sub-association.

"Proportionately" or "Proportionate" means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. **"Proportionately"** may similarly be applied to other categories of Taxable Property as listed in Section 4 below.

"Provisional Property" means all Assessor's Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 8, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section 8.

"Public Property" means any property within the boundaries of CFD No. 2021-1, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a

public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

“Special Tax” means any special tax levied within CFD No. 2021-1 pursuant to the Act and this Rate and Method of Apportionment of Special Tax.

“Special Tax Obligation” means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2021-1.

“Special Tax Requirement” means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Fees and Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2021-1, which are not exempt from the levy of the Special Tax pursuant to law or Section 8 below.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

“Zone” means, as the context requires, either Zone 1 or Zone 2.

“Zone 1” means all property located within the area identified as Zone 1 in the Boundary Map.

“Zone 2” means all property located within the area identified as Zone 2 in the Boundary Map.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2021-22, each Assessor’s Parcel within CFD No. 2021-1 shall be assigned to Zone 1 or Zone 2 and classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of Developed Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property commencing in Fiscal Year 2021-22 shall be determined pursuant to Table 1 below.

**Table 1
Assigned Special Tax Rates**

Zone	Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax
1	1	Residential Property	> 2,400	\$2,064 per Residential Unit
1	2	Residential Property	2,201 – 2,400	\$1,997 per Residential Unit
1	3	Residential Property	≤ 2,200	\$1,930 per Residential Unit
2	1	Residential Property	> 2,400	\$2,446 per Residential Unit
2	2	Residential Property	2,201 – 2,400	\$2,371 per Residential Unit
2	3	Residential Property	≤ 2,200	\$2,295 per Residential Unit

Each July 1, commencing July 1, 2022, the Assigned Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

B. Backup Special Tax for Developed Property

The Backup Special Tax for Developed Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Backup Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

For the purpose of calculating the Backup Special Tax, the land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium

is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.

C. Maximum Special Tax for Developed Property

The Maximum Special Tax for Developed Property shall be the greater of the Assigned Special Tax for Developed Property and the Backup Special Tax for Developed Property.

D. Maximum Special Tax for Provisional Property and Undeveloped Property

The Maximum Special Tax for Provisional Property and Undeveloped Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Maximum Special Tax rates for Provisional Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

4. METHOD OF APPORTIONMENT

For each Fiscal Year, commencing Fiscal Year 2021-22, the CFD Administrator shall levy the Special Tax on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property in an amount up to 100% of the applicable Assigned Special Tax as necessary to satisfy the Special Tax Requirement;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax for Provisional Property;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within CFD No. 2021-1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

5. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Tax, including direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

6. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 6:

“CFD Public Facilities Costs” means \$3,400,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 2021-1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 2021-1.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment or the delinquent special taxes are paid off concurrently with the prepayment to the satisfaction of the CFD Administrator. An owner of an Assessor’s Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the CFD No. 2021-1 Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor’s Parcel or group of Assessor’s Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount

plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for CFD No. 2021-1 assuming all Building Permits have been issued (build-out) within CFD No. 2021-1, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels and round that amount up to the nearest \$5,000 increment (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date, but the redemption date may be any date determined by the CFD Administrator as convenient and appropriate and permitted by the Indenture and does not have to be the next interest payment date.
9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the “Defeasance Amount”).

11. Calculate the administrative fees and expenses of CFD No. 2021-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2021-1, and the costs of recording any notices to evidence the prepayment and the redemption (the “Prepayment Administrative Fees”).

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “Reserve Fund Credit”). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement.

13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the “Capitalized Interest Credit”).

14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the “Prepayment Amount”).

15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 2021-1.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 2021-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 2021-1 Bonds to be used with the next prepayment of CFD No. 2021-1 Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax 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 the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 6.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (PE-A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

PE = the Prepayment Amount calculated according to Section 6.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation

A = the Prepayment Administrative Fees and Expenses from Section 6.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 6.A., and (ii) indicate in the records of CFD No. 2021-1 that there has been a partial prepayment of the Special Tax Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

7. TERM OF SPECIAL TAX

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement for a period not to exceed forty (40) Fiscal Years commencing with Fiscal Year 2021-22, provided however that the Special Tax will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on CFD No. 2021-1 bonds have been paid.

8. EXEMPTIONS

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) Assessor's

Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, and (v) Assessor's Parcels of Developed Property classified as Non-Residential Property as determined reasonably by the CFD Administrator, provided that no such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or less than 7.21 Acres in Zone 2. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or 7.21 Acres in Zone 2 shall be classified as Provisional Property and will continue to be subject to the CFD No. 2021-1 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property, for each Zone.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 8 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

9. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

(i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,

(ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or

(iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final.

EXHIBIT D

Estimated Tax Rates

CFD No. 2021-1

Estimated Effective Tax Rates
City of Perris CFD No. 2021-1 (Avion Pointe/Acacia)

Ad Valorem Taxes¹		Fixed Rate Levies¹	Amount
Base Property Tax Rate	1.0000%	Flood Control Stormwater/Cleanwater	\$3.76
Perris School District	0.06000%	MWD Standby East	\$6.94
Mt. San Jacinto Community College District	0.01320%	EMWD Standby - Combined Charge	\$11.00
Perris Union High School District	0.08569%	Perris Landscape Maintenance District No. 1	\$125.08
Metropolitan Water District East	0.00350%	Perris Maintenance District 84-1	\$46.28
Total Ad Valorem Taxes	1.16239%	Perris CFD No. 1-5 (Public Services)	\$12.88
		Total Fixed Rate Levies	\$606.04

City of Perris CFD No. 2021-1 (Avion Pointe/Acacia)

Land Use and Special Tax Class	Zone 1 Units	Base Price	Maximum Special Tax 2	Ad Valorem Taxes				Effective Tax Rate	
				Ad Valorem Taxes	FCMD Zone S3	Other Fixed Rate Levies	Total Levies	Including CIP	Including CIP
Residential Property (≤ 2,200 sq. ft.)	18	\$395,990	\$1,974	\$4,638	\$413	\$606	\$7,487	1.3143%	1.9014%
Residential Property (2,201 - 2,400 sq. ft.)	18	\$409,990	\$1,977	\$4,766	\$413	\$606	\$7,761	1.3100%	1.8979%
Residential Property (> 2,400 sq. ft.)	18	\$423,990	\$2,044	\$4,925	\$413	\$606	\$8,011	1.3033%	1.8894%

Land Use and Special Tax Class	Zone 2 Units	Base Price	Maximum Special Tax 2	Ad Valorem Taxes				Effective Tax Rate	
				Ad Valorem Taxes	FCMD Zone S4	Other Fixed Rate Levies	Total Levies	Including CIP	Including CIP
Residential Property (≤ 2,200 sq. ft.)	17	\$385,990	\$2,292	\$4,688	\$325	\$606	\$7,725	1.3100%	1.9641%
Residential Property (2,201 - 2,400 sq. ft.)	17	\$395,990	\$2,271	\$4,603	\$325	\$606	\$7,508	1.3144%	1.9564%
Residential Property (> 2,400 sq. ft.)	18	\$409,990	\$2,448	\$4,708	\$325	\$606	\$8,068	1.3106%	1.9503%

Zone 1	Developed Special Taxes	Net Taxable Acres	Undeveloped Special Tax
Undeveloped Property	\$107,433	9.19	\$11,400

Zone 2	Developed Special Taxes	Net Taxable Acres	Undeveloped Special Tax
Undeveloped Property	\$123,350	8.26	\$14,934

1: Based on FY 2020-21 tax bills for subject property and comparable single family homes.
 2: Recommended base p.t.r. provided by Empire Economics. Special Tax rates provided by Developer.
 3: Discounted by 5% to provide a margin of error for development timing and acreage calculations.

ATTACHMENT 10

JCFA WITH EMWD

JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Community Facilities District No. 2021-1 of the City of Perris (Avion Pointe/Acacia)

by and among

City of Perris, Eastern Municipal Water District and
D.R. Horton Los Angeles Holding Company, Inc.

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the "Agreement") is entered into effective as of the ____ day of ____, 2021, by and among CITY OF PERRIS, a California general law city (the "City"), EASTERN MUNICIPAL WATER DISTRICT, a public agency organized and existing pursuant to Division 20 of the California Water Code ("EMWD"), and D.R. HORTON LOS ANGELES HOLDING COMPANY, INC., a California corporation ("Property Owner"), and relates to the community facilities district known as "Community Facilities District No. 2021-1 of the City of Perris (Avion Pointe/Acacia)" (the "CFD") for the purpose of financing certain facilities to be owned, operated or maintained by the City or EMWD from proceeds of bonds issued by the CFD and the proceeds of special taxes levied by the CFD.

RECITALS:

A. The property ("Property") described in Exhibit "A" hereto, which is located in the City, County of Riverside, State of California, constitutes the land within the boundaries of the CFD.

B. Property Owner owns the Property included in the CFD. Property Owner intends to develop the Property for residential purposes. The Property is depicted in Exhibit "B" hereto.

C. The City received a petition in accordance with the Act (defined below) to form the CFD for the purpose of financing, among other things, certain public facilities to be constructed and owned and operated by EMWD (the "EMWD Facilities") in lieu of the payment of EMWD Fees (defined herein) and certain water and sewer facilities to be constructed by Property Owner and acquired by EMWD (the "Acquisition Facilities").

D. In conjunction with the issuance of permits for the construction of homes on the Property and/or receipt of water meters for such homes, the Property Owner, or its successors or assigns, may elect to advance EMWD Facilities costs in lieu of payment of EMWD Fees (the "Advances") before Bond Proceeds (defined herein) are available in sufficient amounts to pay for EMWD Facilities. In such case, the Property Owner shall be entitled to (i) reimbursement of such Advances limited to Bond Proceeds available to EMWD, if any (the Advances being considered an interest free loan by the Property Owner with no repayment obligation except to the extent there are Bond Proceeds received by or made available to EMWD as described herein, all as further described in Section 5(a) below), and (ii) credit against EMWD Fees which would otherwise be due to EMWD equal to the amount of Bond Proceeds disbursed to EMWD or at the direction of EMWD for EMWD Facilities, all as further described herein.

E. The City will have sole discretion and responsibility for the formation and administration of the CFD.

F. The City is authorized by Section 53313.5 of the Act to assist in the financing of the acquisition and/or construction of the EMWD Facilities and/or the Acquisition Facilities. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among EMWD, the Property Owner and the City, pursuant to which the CFD, when and if formed, will be authorized to finance the acquisition and/or construction of all or a portion of the EMWD Facilities and/or the Acquisition Facilities. As authorized by Section 53316.6 of the Act, responsibility for constructing, providing for and operating the EMWD Facilities and/or the Acquisition Facilities is delegated to EMWD.

G. The Parties (defined below) hereto find and determine that the residents residing within the boundaries of EMWD, the City and the CFD will be benefited by the construction and/or acquisition of the EMWD Facilities and/or the Acquisition Facilities and that this Agreement is beneficial to the interests of such residents.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereto agree as follows:

1. **Recitals.** Each of the above recitals is incorporated herein and is true and correct.

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) "Acquisition Facility(ies)" means the sewer and water facilities described as such in Exhibit "C" hereto.

(b) "Act" means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

(c) "Advance" or "Advances" means an amount advanced by Property Owner to EMWD for EMWD Facilities in lieu of payment of EMWD Fees prior to the availability of sufficient Bond Proceeds. Advances shall be deemed payment of EMWD Fees to the extent sufficient Bond Proceeds are not received by or made available to EMWD.

(d) "Bond Proceeds" or "Proceeds of the Bonds" shall mean those net funds generated by the sale of the Bonds and investment earnings thereon, net of costs of issuance, reserve fund, capitalized interest and administrative expenses, and may include net funds generated by the levy of Special Taxes and investment earnings thereon. Such Bond Proceeds are only up the amount allocated by the CFD for EMWD Fees, EMWD Facilities or Acquisition Facilities.

(e) "Bond Resolution" means that Resolution, Resolution Supplement, Fiscal Agent Agreement, Indenture of Trust or other equivalent document(s) providing for the issuance of the Bonds.

(f) "Bonds" shall mean those bonds, or other securities, issued by, or on behalf of the CFD, in one or more series, as authorized by the qualified electors within the CFD.

(g) "Disbursement Request" means a request for payment relating to EMWD Facilities in the form attached hereto as Exhibit "D."

(h) "EMWD Engineer Representative" means an EMWD engineer duly authorized to act on behalf of EMWD or his or her designee.

(i) "EMWD Fees" means water supply development fees, water backup fees, water financial participation fees, water meter fees, sewer financial participation fees, sewer backup fees, sewer treatment capacity charges and all components thereof imposed by EMWD upon the Property to finance EMWD Facilities.

(j) "EMWD Facilities" means those sewer and water facilities listed on Exhibit "C" hereto, which are necessary for the provision of water and sewer services to the Property and paid for with Bond Proceeds in lieu of the payment of EMWD Fees. All EMWD Facilities are public facilities.

(k) "Other Facilities Account of the Improvement Fund" means the fund, account or subaccount of the CFD (regardless of its designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance EMWD Facilities and/or the Acquisition Facilities and which may have subaccounts.

(l) "Party" or "Parties" shall mean any one or all of the parties to this Agreement.

(m) "Payment Request" means a request for payment relating to Acquisition Facilities in the form attached hereto as Exhibit "E".

(n) "Rate and Method" means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes pursuant to proceedings undertaken for the formation of the CFD pursuant to the Act.

(o) "Special Taxes" means the special taxes authorized to be levied and collected within the CFD pursuant to the Rate and Method.

(p) "State" means the State of California.

3. Formation of the CFD. The City has undertaken to analyze the appropriateness of forming the CFD to finance the EMWD Facilities, Acquisition Facilities, and other facilities. The City has and will retain, at the expense of the Property Owner, the necessary consultants to analyze the formation of the CFD.

4. Sale of Bonds and Use of Bond Proceeds. In the event that the CFD is formed and Bonds are issued, the City and the Property Owner shall determine the amount of Bond Proceeds to be deposited in the Other Facilities Account of the Improvement Fund and each subaccount thereof. As Bond Proceeds are transferred to EMWD and reserved to fund EMWD Facilities, as described in Section 5 below, the Property Owner shall receive a credit in the amount transferred against the payment of EMWD Fees with respect to the Property. Nothing herein shall supersede the obligation of an owner of the Property to make an Advance or pay EMWD Fees to EMWD when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds and levy Special Taxes to provide a source of funds to finance EMWD Facilities in lieu of the payment of

EMWD Fees and or Acquisition Facilities. In the event that Bond Proceeds, including investment earnings thereon, are not available or sufficient to satisfy the obligation, then the Property Owner shall remain obligated to make an Advance for which it will receive no reimbursement (except to the extent Bond Proceeds later become available to EMWD), or pay EMWD Fees to EMWD as a condition of receiving water and sewer service to the Property.

The Bonds shall be issued only if, in its sole discretion, the City Council determines that all requirements of State and federal law and all City policies have been satisfied or have been waived by the City. Nothing in this Agreement shall confer upon EMWD or any owner of the Property, including Property Owner, a right to compel the issuance of the Bonds or the disbursement of Bond Proceeds to fund EMWD Facilities and/or Acquisition Facilities except in accordance with the terms of this Agreement.

If and when the CFD determines to issue Bonds, the CFD shall take such actions necessary in its reasonable discretion to ensure the total effective tax rate is within the City's policies and does not exceed two percent (2%) at the time of Bond sale. The total effective tax rate shall be based on a method of determination of property values reasonably acceptable to the City. The CFD shall not include EMWD's name on property owners' special tax bills within the CFD.

By entering into this Agreement and requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax-exempt status of the Bonds for federal or California state income tax purposes.

5. Disbursements for EMWD Facilities.

(a) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund EMWD Facilities, the Property Owner shall notify EMWD of the amount of Bond Proceeds reserved to fund EMWD Facilities and the Property Owner and EMWD may execute and submit a Disbursement Request for payment to the City or the CFD requesting disbursement of an amount equal to all or a portion of Advances from the Other Facilities Account of the Improvement Fund to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon EMWD's receipt of funds pursuant to such Disbursement Request, the Property Owner shall receive reimbursement of the Advances from EMWD. To facilitate EMWD's bookkeeping, EMWD may direct in a Disbursement Request, that all or a portion of a payment be made directly from the Other Facilities Account to the Property Owner as reimbursement for Advances made by the Property Owner. In the event of a reimbursement to the Property Owner pursuant to the preceding sentence, EMWD shall account for an equivalent amount of Advances previously received from the Property Owner in accordance with Section 5(c) below.

To the extent that EMWD expends all or a portion of an Advance pending the deposit of Bond Proceeds in the Other Facilities Account of the Improvement Fund, for purposes of Treasury Regulations regarding investment and expenditure of Bond Proceeds and State law provisions regarding financing of public capital facilities, the Advance shall be a considered an interest free loan by the Property Owner, which EMWD only agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund and EMWD's written direction as described below to pay all or a portion of such deposit to the Property Owner as repayment of an Advance.

(b) From time to time following the funding of the Other Facilities Account of the Improvement Fund, the Property Owner may notify EMWD in writing and the Property Owner and EMWD may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund EMWD Facilities by executing and submitting a Disbursement Request. Upon receipt of such Disbursement Request completed in accordance with the terms of this Agreement, the CFD shall wire transfer or otherwise pay to EMWD (or upon EMWD's written direction pay to the Property Owner or an EMWD contractor) such requested funds to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and EMWD's receipt of such disbursement (or upon payment to the Property Owner or an EMWD contractor in accordance with directions from EMWD relating to EMWD Facilities), the Property Owner shall be deemed to have satisfied the applicable EMWD Fees with respect to the number of dwelling units or lots for which the EMWD Fees would otherwise have been required in an amount equal to such disbursement.

(c) EMWD agrees that prior to submitting a Disbursement Request requesting payment from the CFD it shall review and approve all costs included in its request and will have already paid or incurred such costs of EMWD Facilities from its own funds (which may include Advances from the Property Owner) subsequent to the date of this Agreement, or will disburse such amounts to pay the costs of EMWD Facilities following receipt of funds from the CFD. In the event that EMWD does not disburse any Bond Proceeds (or equivalent amount of Advances repaid pursuant to the second to the last sentence of the first paragraph of Section 5(a) above) received by it to third parties within five banking days of receipt, it will trace and report to the CFD all earnings, if any, earned by EMWD, from the date of receipt of such Bond Proceeds by EMWD (or the date of disbursement pursuant to the second to the last sentence of the first paragraph of Section 5(a) above) to the date of expenditure by EMWD for capital costs of the EMWD Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by EMWD. EMWD agrees that in processing the above disbursements it will comply with all legal requirements for the expenditure of Bond Proceeds under the Internal Revenue Code of 1986 and any amendments thereto.

(d) EMWD agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. EMWD will, upon request, provide the City and/or the Property Owner with access to EMWD's records related to the EMWD Facilities and expenditure of Advances and will provide to the City its annual financial report certified by an independent certified public accountant for purposes of assisting the City in calculating the arbitrage rebate obligation of the CFD, if any.

(e) The City or the CFD agrees to maintain full and accurate records of all amounts, and investment earnings, if any, expended from the Other Facilities Account of the Improvement Fund and expenditure of Advances. The City or the CFD will, upon request, provide EMWD and/or Property Owner with access to the City's or the CFD's records related to the Other Facilities Account of the Improvement Fund.

(f) The City acknowledges that it is in receipt of and has reviewed the EMWD Comprehensive Debt Policy ("Debt Policy"). At the time of formation of the CFD, the City and the CFD are in conformance with Section 3.1 of the Debt Policy and it is expected that the City and CFD will remain in conformance with Section 3.1 at the time of any Bond sale. However, City and EMWD acknowledge that the City has the ultimate responsibility for issuance of the Bonds, the administration of the CFD, and the tax-exempt status of any Bonds issued by the CFD. Accordingly,

the City Council shall have ultimate responsibility for making all decisions with respect to the issuance of any CFD Bonds and the levy of CFD Special Taxes.

6. Ownership of EMWD Facilities and Acquisition Facilities. The EMWD Facilities and Acquisition Facilities shall be and remain the property of EMWD.

7. Acquisition Facilities. The requirements of this Section 7 shall apply to any Acquisition Facility for which a Payment Request is submitted to EMWD pursuant to this Section 7.

(a) Design Plans and Specifications. All plans, specifications and bid documents for the Acquisition Facility ("Plans") constructed or to be constructed by the Property Owner shall be prepared by the Property Owner at the Property Owner's initial expense, subject to approval by EMWD. Costs for preparation of the Plans shall be included in the acquisition price. Reimbursement of costs for plan revisions will be considered on a case by case basis. The Property Owner shall not award bids for construction, or commence or cause commencement of construction, of the Acquisition Facility until the Plans and bidding documents have been approved by EMWD. The bid opening for the Acquisition Facility shall be coordinated with and take place at EMWD's offices, with EMWD personnel in attendance.

(b) Construction of Acquisition Facilities. A qualified engineering firm (the "Field Engineer") shall be employed by the Property Owner to provide all field engineering surveys determined to be necessary by the EMWD's inspection personnel. Field Engineer shall promptly furnish to EMWD a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from Field Engineer's engineering surveys and/or proposed facility design changes. EMWD shall have the right, but not the obligation, to review, evaluate and analyze whether such results comply with applicable specifications.

A full-time soil testing firm, approved by EMWD, shall be employed by the Property Owner to conduct soil compaction testing and certification. The Property Owner shall promptly furnish results of all such compaction testing to EMWD for its review, evaluation and decision as to compliance with applicable specifications. In the event the compaction is not in compliance with applicable specifications, the Property Owner shall be fully liable and responsible for the costs of achieving compliance. A final report certifying all required compaction in accordance with the specifications shall be a condition of final acceptance of the Acquisition Facility.

The costs of all surveying, testing and reports associated with the Acquisition Facility furnished and constructed by the Property Owner's contractor(s) shall be included in the acquisition price.

EMWD shall not be responsible for conducting any environmental, archaeological, biological, or cultural studies or any mitigation requirements that may be requested by appropriate Federal, State, and/or local agencies with respect to the Acquisition Facility. Any such work shall be paid for and conducted by the Property Owner and included in the acquisition price of the Acquisition Facility.

(c) EMWD Public Works Requirements. In order that the Acquisition Facility may be properly and readily acquired by EMWD, the Property Owner shall comply with all of the following requirements with respect to the Acquisition Facility, and the Property Owner shall

provide such proof to the EMWD as EMWD may reasonably require and at such intervals and in such form as EMWD may reasonably require, that the following requirements have been satisfied as to the Acquisition Facility:

(i) The Property Owner shall prepare a bid package for review, comment and approval by the General Manager of EMWD or his designee (the "EMWD Representative").

(ii) The Property Owner shall, after obtaining at least three sealed bids for the construction of the Acquisition Facility in conformance with the procedures and requirements of EMWD, submit to EMWD written evidence of such competitive bidding procedure, including evidence of the means by which bids were solicited, a listing of all responsive bids and their amounts, and the name or names of the contractor or contractors to whom the Property Owner proposes to award the contracts for such construction, which shall be the lowest responsible bidder.

(iii) The EMWD Representative shall attend the bid opening. If unable to attend the bid opening, the EMWD Representative shall approve or disapprove of a contractor or contractors, in writing, within five (5) business days after receipt from the Property Owner of the name or names of such contractor or contractors recommended by the Property Owner. If the EMWD Representative disapproves of any such contractor; the Property Owner shall select the next lowest responsible bidder from the competitive bids received who is acceptable to the EMWD Representative.

(iv) The specifications and bid and contract documents shall require all such contractors to pay prevailing wages and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects and as required by the procedures and standards of EMWD with respect to the construction of its public works projects.

(v) The Property Owner shall submit faithful performance and payment bonds conforming in all respects to the requirements set forth in EMWD's "Standard Water and/or Sewer Facilities and Service Agreement." The following documents shall be submitted to EMWD along with the performance and payment bonds:

(1) The original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws, or other instrument entitling or authorizing the person who executed the bond to do so;

(2) A certified copy of the certificate of authority of the insurer issued by the State of California's Insurance Commissioner; and

(3) Copies of the insurer's most recent annual and quarterly statements filed with the Department of Insurance.

(vi) The Property Owner and its contractor and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Acquisition Facility, which they will construct in conformance with EMWD's standard procedures and requirements. EMWD's insurance requirements are set out in Section 7(n) herein.

(vii) The Property Owner and all such contractors shall comply with such other requirements relating to the construction of the Acquisition Facility which EMWD may impose by written notification delivered to the Property Owner and each such contractor at the time either prior to the receipt of bids by the Property Owner for the construction of such Acquisition Facility or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof. In accordance with Section 7(f), the Property Owner shall be deemed the awarding body and shall be solely responsible for compliance and enforcement of the provisions of the Labor Code, Government Code, and Public Contract Code.

(viii) A "Change Order" is an order from the Property Owner to a contractor authorizing a change in the work to be performed. The Property Owner shall receive comments from the EMWD Representative prior to the Property Owner's approval of any Change Order. The EMWD Representative shall comment on or deny the Change Order request within five (5) business days of receipt of all necessary information. EMWD's comments to a Change Order shall not be unreasonably delayed, conditioned or withheld. The Property Owner shall not be entitled to include in the acquisition price costs associated with a Change Order that have not been approved by the EMWD Representative.

(d) Inspection; Completion of Construction. EMWD shall have primary responsibility for inspecting the Acquisition Facility to assure that the work is being accomplished in accordance with the Plans. Such inspection does not include inspection for compliance with safety requirements by the Property Owner's contractor(s). EMWD's personnel shall be granted access to each construction site at all reasonable times for the purpose of accomplishing such inspection. Upon satisfaction of EMWD's inspectors, the Property Owner shall notify EMWD in writing that an Acquisition Facility has been completed in accordance with the Plans.

Within three (3) business days of receipt of written notification from EMWD inspectors that an Acquisition Facility has been completed in accordance with the Plans, the EMWD Representative shall notify the Property Owner in writing that such Acquisition Facility has been satisfactorily completed. Upon receiving such notification, the Property Owner shall file a Notice of Completion with the County of Riverside Recorder's Office, pursuant to the provisions of Section 8182 of the Civil Code. The Property Owner shall furnish to EMWD a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County of Riverside (the "County"). EMWD will in turn file a notice with the County for acceptance.

(e) Liens. With respect to the Acquisition Facility, upon the earlier of (i) receipt of all applicable lien releases, or (ii) expiration of the time for the recording of claim of liens as prescribed by Sections 8412 and 8414 of the Civil Code, the Property Owner shall provide to EMWD such evidence or proof as EMWD shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment for the construction of the Acquisition Facility have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

(f) Acquisition; Acquisition Price; Source of Funds. The costs eligible to be included in the acquisition price of the Acquisition Facility (the "Actual Costs") shall include:

(i) The actual hard costs for the construction of such Acquisition Facility as established by EMWD-approved construction contracts and approved Change Orders, including

costs of payment, performance and maintenance bonds and insurance costs, pursuant to this Agreement;

(ii) The design and engineering costs of such Acquisition Facility including, without limitation, the costs incurred in preparing the Plans. Costs for plan revisions will be considered on a case by case basis;

(iii) The costs of environmental evaluations and public agency permits and approvals attributable to the Acquisition Facility;

(iv) Costs incurred by the Property Owner for construction management and supervision of such Acquisition Facility, not to exceed five percent (5%) of the actual construction cost, subject to prior approval by EMWD of any construction management or supervision contract with respect to the Acquisition Facility;

(v) Professional costs associated with the Acquisition Facility such as engineering, inspection, construction staking, materials, testing and similar professional services; and

(vi) Costs approved by EMWD of acquiring from an unrelated third party any real property or interests therein required for the Acquisition Facility including, without limitation, temporary construction easements, temporary by-pass road and maintenance easements.

Provided the Property Owner has complied with the requirements of this Agreement, EMWD agrees to execute and submit to the City a Payment Request for payment of the acquisition price of the completed Acquisition Facility to the Property Owner or its designee within thirty (30) days after the Property Owner's satisfaction of the preconditions to such payment stated herein.

As a condition to EMWD's execution of the Payment Request for the acquisition price, the property ownership of the completed Acquisition Facility shall be transferred to EMWD by grant deed, bill of sale or such other documentation as EMWD may require free and clear of all taxes, liens, encumbrances, and assessments, but subject to any exceptions determined by EMWD to not interfere with the actual or intended use of the land or interest therein (including the lien of a community facilities district so long as the subject property is exempt from taxation or is otherwise not taxable by such community facilities district). Upon the transfer of property ownership of the Acquisition Facility or any portion thereof to EMWD, EMWD shall be responsible for the maintenance of such Acquisition Facility or the portion transferred. Notwithstanding the foregoing, the acquisition price of an Acquisition Facility may be paid prior to transfer of property ownership and acceptance of the Acquisition Facility if it is substantially completed at the time of payment. The Acquisition Facility shall be considered "substantially complete" when it has been reasonably determined by EMWD to be usable, subject to final completion of such items as the final lift or any other items not essential to the primary use or operation of the Acquisition Facility.

For purposes of determining the acquisition price to be paid by the CFD for the acquisition of each Acquisition Facility by EMWD, the value of such Acquisition Facility shall include the construction costs specified in EMWD-approved contracts and EMWD-approved change orders conforming to this Section 7, as hereinbefore specified. EMWD approval is a condition prior to initiation of contract work. However, if EMWD reasonably determines that the additional Actual Costs are excessive and that the value of the Acquisition Facility is less than the total amount of such Actual Costs and such construction costs, the price to be paid for the acquisition of the Acquisition

Facility shall be the value thereof as determined by the EMWD Engineer Representative, subject, however, to the Property Owner's right to appeal to EMWD's Board of Directors.

Upon completion of the construction of an Acquisition Facility, the Property Owner shall deliver or cause to be delivered to EMWD a Payment Request in substantially the form of Exhibit "E," attached hereto, copies of the contract(s) with the contractor(s) who have constructed the Acquisition Facility and other relevant documentation with regard to the payments made to such contractor(s) and each of them for the construction of the Acquisition Facility, documentation evidencing payment of prevailing wages, and shall also provide to EMWD invoices and purchase orders with respect to all equipment, materials and labor purchased for the construction of the Acquisition Facility. EMWD shall require the EMWD Engineer Representative to complete its determination of the acquisition price of the Acquisition Facility as promptly as is reasonably possible.

Notwithstanding the preceding provisions of this Section, the source of funds for the acquisition of the Acquisition Facility or any portion thereof shall be funds on deposit in the Other Facilities Account of the Improvement Fund. If no such funds are available, EMWD shall not be required to acquire the Acquisition Facility from the Property Owner. In such event, the Property Owner shall complete the design and construction and offer to EMWD property ownership of such portions of the Acquisition Facility as are required to be constructed by the Property Owner as a condition to recordation of subdivision maps for the Property, but need not construct any portion of the Acquisition Facility which it is not so required to construct. Reimbursement for these facilities would be made pursuant to the "Standard Water and/or Sewer Facilities and Service Agreement(s)" by and between EMWD and the Property Owner.

(g) Easements and/or Fee Title Property Ownership Deeds. The Property Owner shall, at the time EMWD acquires the Acquisition Facility as provided in Section 7(f) hereof, grant or cause to be granted to EMWD, by appropriate instruments prescribed by EMWD, all easements across private property and/or fee title property ownership deeds which may be reasonably necessary for the proper operation and maintenance of such Acquisition Facility, or any part thereof.

(h) Permits. The Property Owner shall be responsible for obtaining all necessary construction permits from the City covering construction and installation of the Acquisition Facility. EMWD will request the City to issue an "operate and maintain permit" to EMWD, which will become effective upon the completion of the Acquisition Facility and acceptance of property ownership therewith by EMWD.

(i) Maintenance. Prior to the transfer of property ownership of an Acquisition Facility by the Property Owner to EMWD, as provided in Section 7(f) hereof, the Property Owner shall be responsible for the maintenance thereof and shall require its contractor(s) to repair all facilities damaged by any party, prior to acceptance by EMWD and/or make corrections determined to be necessary by EMWD's inspection personnel.

(j) Inspection of Records. EMWD shall have the right to review all books and records of the Property Owner pertaining to the costs and expenses incurred by the Property Owner for the design and construction of the Acquisition Facility during normal business hours by making arrangements with the Property Owner. The Property Owner shall have the right to review all books and records of EMWD pertaining to costs and expenses incurred by EMWD for services of the EMWD Engineer Representative by making arrangements with EMWD.

(k) Property Ownership of Improvements. Notwithstanding the fact that some or all of the Acquisition Facility may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated to EMWD, each Acquisition Facility shall be and remain the property of the Property Owner until acquired by EMWD as provided in this Agreement.

(l) Materials and Workmanship Warranty. Upon the completion of the acquisition of an Acquisition Facility by EMWD, the performance bond related to such individual Acquisition Facility provided by the Property Owner pursuant to Section 7(c)(v) hereof, shall be reduced by 90%, and the remaining 10% shall serve as a maintenance bond to guarantee that such Acquisition Facility will be free from defects due to faulty workmanship or materials for a period of one year. Release of performance and payment bonds is addressed in the Standard Water and/or Sewer Facilities and Service Agreement, by and between EMWD and the Property Owner.

(m) Independent Contractor. In performing this Agreement with respect to the Acquisition Facilities, the Property Owner is an independent contractor and not the agent of EMWD. EMWD shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. It is not intended by the Parties that this Agreement create a partnership or joint venture among them and this Agreement shall not otherwise be construed.

(n) Insurance Requirements. Neither the Property Owner nor its contractor shall commence work on an Acquisition Facility under this Agreement prior to obtaining all insurance required hereunder with a company or companies acceptable to EMWD, nor shall the Property Owner's contractor allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained.

The Property Owner shall, during the life of this Agreement, notify EMWD in writing of any incident giving rise to any potential bodily injury or property damage claim and any resultant settlements, whether in conjunction with this or any other project which may affect the limits of the required coverage, as soon as is reasonable and practical.

Both the Property Owner and its contractor shall conform in every respect to the requirements set forth in the Standard Water and/or Sewer Facilities and Service Agreement, by and between EMWD and the Property Owner.

8. Indemnification.

(a) Indemnification by the City. The City shall assume the defense of, indemnify and save harmless, EMWD, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the City with respect to this Agreement and the issuance of the Bonds; provided, however, that the City shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(b) Indemnification by Property Owner. Property Owner shall assume the defense of, indemnify and save harmless, the City, the CFD and EMWD, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of Property Owner with respect to this Agreement;

provided, however, that Property Owner shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(c) Indemnification by EMWD. EMWD shall assume the defense of, indemnify and save harmless, the City, the CFD and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of EMWD with respect to this Agreement, and the design, engineering and construction of the EMWD Facilities and the Acquisition Facilities constructed by EMWD; provided, however, that EMWD shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

9. Allocation of Special Taxes. The entire amount of any Special Taxes levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD.

10. Amendment and Assignment. This Agreement may be amended at any time but only in writing signed by each Party hereto. This Agreement may be assigned, in whole or in part, by the Property Owner to the purchaser of any parcel of land within the Property, provided, however, such assignment shall not be effective unless and until EMWD and the City have been notified, in writing, of such assignment and the assignment specifies whether the Property Owner or such assignee is authorized to execute disbursement requests.

11. 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.

12. Notices. Any notice, payment, instrument, statement, demand, consent, approval, authorization, offer, designation, request or other communication required or permitted by this Agreement to be given or delivered to any other Party shall be deemed delivered to the other Party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, email, telegram or telecopier upon the sender's receipt of an appropriate answer back or other written acknowledgement from the addressee of successful transmission which is not an automated reply or acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified as follows:

City: City of Perris
101 N. D Street Perris, CA 92570
Attention: Director of Finance
Phone: (951) 943-4610
Email: ereyna@cityofperris.org

EMWD: Eastern Municipal Water District
P.O. Box 8300
2270 Trumble Road

Perris, CA 92572-8300
Attention: Special Funding Division
Email: specialfundingdivision@emwd.org

Property Owner: D.R. Horton, *America's Builder*.
2280 Wardlow Circle, Suite 100
Corona, CA 92880
Attention: Barbara M. Murakami
Email: bmmurakami@drhorton.com

Each Party may change its address for delivery of notice by delivering written notice of such change of address to the other Parties hereto.

13. Exhibits. All exhibits attached hereto are incorporated into this Agreement by reference.

14. Attorney's Fees. In the event of the bringing of any action or suit by any Party against any other Party arising out of this Agreement, the Party in whose favor final judgment shall be entered shall be entitled to recover from the losing Party all costs and expenses of suit, including reasonable attorney's fees.

15. Interpretation in the event of Ambiguities or Disputes. The Parties acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the drafter.

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

17. Governing Law. This Agreement and any dispute arising hereunder shall be governed by interpreted in accordance with the laws of the State of California.

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

19. No Third Party Beneficiaries. No person or entity other than the CFD, when and if formed, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than EMWD, the City, the CFD and Property Owner (and their respective successors and assigns, exclusive of individual homebuyers), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

20. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

CITY OF PERRIS

Director of Finance

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

CITY ATTORNEY OF THE CITY OF PERRIS

By: _____

[SIGNATURES CONTINUED ON NEXT PAGE.]

EASTERN MUNICIPAL WATER DISTRICT

Paul D. Jones II, General Manager

ATTEST:

By: _____
Sheila Zelaya, Board Secretary

PROPERTY OWNER

**D.R. HORTON LOS ANGELES HOLDING
COMPANY, INC.**, a California corporation

By: _____
Barbara M. Murakami, Vice President

EXHIBIT "A"

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE
CITY OF PERRIS (AVION POINTE/ACACIA)**

DESCRIPTION OF PROPERTY

All that certain real property situated in the City of Perris, County of Riverside, State of California, described as follows:

Phase 1 Property (Alder):

PARCEL A: (APN: 311-470-001 THROUGH 311-470-008; 311-470-023, 311-470-024, 311-471-001 THROUGH 311-471-012; 311-472-001 THROUGH 311-472-005; 311-472-010 THROUGH 311-472-021

LOTS 1 THROUGH 8, INCLUSIVE, 17 THROUGH 28, INCLUSIVE, 35, 36, 41 THROUGH 45, INCLUSIVE AND 50 THROUGH 61, INCLUSIVE OF TRACT NO. 31650, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 407, PAGES 21 THROUGH 24, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (APN: 311-340-012 THROUGH 311-340-026)

LOTS 1 THROUGH 15, INCLUSIVE, OF TRACT NO. 32406, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 414, PAGES 40 AND 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Phase 2 Property (Acacia):

LOTS 1 TO 57, INCLUSIVE, OF TRACT NO. 31651, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 419 PAGES 12 THROUGH 14 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 311-161-001 THROUGH 311-161-035 AND 311-162-001 THROUGH 311-162-022

EXHIBIT "B"

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE
CITY OF PERRIS (AVION POINTE/ACACIA)**

DEPICTION OF PROPERTY

EXHIBIT "C"

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE
CITY OF PERRIS (AVION POINTE/ACACIA)**

FACILITIES DESCRIPTION

1. EMWD Facilities. The type of EMWD Facilities eligible to be financed by the CFD under the Act are as follows:

Those water and sewer facilities included in EMWD's water and sewer capacity and connection fee programs used to finance expansion projects, exclusive of in-tract facilities contributed by Property Owner. EMWD Facilities include, but are not limited to the following: water and sewer transmission pipelines, sewer treatment plants, disposal ponds, pumping plants, lift stations and water reservoirs, including all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction, inspection and any and all appurtenant facilities and appurtenant work relating to the foregoing.

2. Acquisition Facilities. The types of Acquisition Facilities eligible to be financed by the CFD under the Act shall consist of sewer and water transmission lines, sewer and water pump stations and water reservoirs, including all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction inspection and any and all appurtenant facilities to the foregoing required to serve the Property. The facilities listed above are representative of the types of facilities eligible to be financed by the CFD as Acquisition Facilities. Detailed scope and limits of specific projects will be determined by EMWD as appropriate, consistent with the standards of the EMWD.

EXHIBIT C-1

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE
CITY OF PERRIS (AVION POINTE/ACACIA)**

FACILITIES LIST

City of Perris (1)	Per Unit	No. Units	Total
Police	\$ 59	106	\$ 6,254
Fire	362	106	38,372
Community Amenities	1,120	106	118,720
Government Facilities	576	106	61,056
Parks	7,677	106	813,776
Transportation Facilities	4,025	106	426,650
<i>Sub-Total:</i>	\$ 13,819		\$ 1,464,828
2021 Eastern Municipal Water District Fees (2)	Per Unit	No. Meters/Units	Total
Water Financial Participation	\$ 5,584	106	\$ 591,904
Sewer Financial Participation	2,958	106	313,548
Sewer Treatment Plant Capacity	6,027	106	638,862
Water Supply Development Fee	300	106	31,800
Water Meter Fee	377	106	39,962
<i>Sub-Total:</i>	\$ 15,246		\$ 1,616,076
City Facilities (Zone 2)			Total
Remaining Proceeds for Nuevo Rd./Wilson Ave. Improvements			\$ 319,601
<i>Sub-Total:</i>			\$ 319,601
	Per Unit	No. Units	Total
TOTAL AUTHORIZED FEES	\$ 32,080	106	\$ 3,400,505

(1) Per the current City of Perris Development Impact Fee schedule.

(2) Per the current 2021 EMWD Fee schedule.

EXHIBIT "D"

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE
CITY OF PERRIS (AVION POINTE/ACACIA)**

**DISBURSEMENT REQUEST FORM
(EMWD Facilities)**

1. Community Facilities District No. 2021-1 of the City of Perris (Avion Pointe/Acacia) ("CFD") is hereby requested to pay from the CFD bond proceeds ("Bond Proceeds") to Eastern Municipal Water District ("EMWD"), as Payee, or to EMWD's designee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for EMWD Facilities is due and payable, has not formed the basis of prior request or payment, and is being made with respect to the connection of the property described below to the EMWD system.

3. Amount requested: \$ _____
For Tract/Lot Nos: _____

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement, by and among the City of Perris, EMWD and D.R. Horton Los Angeles Holding Company, Inc., dated _____, 2021 (the "Agreement"). Capitalized terms not defined herein shall have the meaning set forth in the Agreement. EMWD shall spend the Bond Proceeds allocated hereby in accordance with the requirements set forth in Section 5 of the Agreement.

5. By entering into the Agreement and requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax-exempt status of the Bonds for federal or California state income tax purposes.

PROPERTY OWNER

**D.R. HORTON LOS ANGELES HOLDING
COMPANY, INC., a California corporation**

By: _____
Barbara M. Murakami, Vice President

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

cc: EMWD Special Funding District

EXHIBIT "E"

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE
CITY OF PERRIS (AVION POINTE/ACACIA)**

**PAYMENT REQUEST FORM
CITY OF PERRIS CFD NO. 2021-1 – OTHER FACILITIES ACCOUNT
OF THE IMPROVEMENT FUND**

City of Perris ("City"), Eastern Municipal Water District ("EMWD") and D.R. Horton Los Angeles Holding Company, Inc. ("Property Owner") are parties to the Joint Community Facilities Agreement, dated as of _____, 2021 (the "EMWD JCFA"). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the EMWD JCFA. Pursuant to the EMWD JCFA, Property Owner hereby requests approval of the acquisition price of the Acquisition Facility(ies) described in Attachment A attached hereto. In connection with this Payment Request, Property Owner hereby represents and warrants to the EMWD as follows:

(a) The person executing this Payment Request is qualified to execute this Payment Request on behalf of Property Owner and knowledgeable as to the matters set forth herein.

(b) The Acquisition Facility(ies) have been constructed in accordance with the Plans therefor, and in accordance with all applicable EMWD standards and the requirements of the EMWD JCFA.

(c) The true and correct Actual Cost of the Acquisition Facility(ies) is set forth in Attachment A.

(d) Property Owner has submitted or submits herewith to EMWD the contracts, invoices, receipts, worksheets and other evidence of Actual Costs which are in sufficient detail to allow the EMWD Representative to verify the Actual Cost of the Acquisition Facility(ies) for which payment is requested.

(e) There are no liens, rights to lien or attachment upon, or claims affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

Property Owner hereby declares under penalty of perjury that the above representations and warranties are true and correct.

[Remainder of page intentionally left blank]

Property Owner hereby requests that the acquisition price be paid to the person or persons, in the amount set forth in Attachment B hereto.

PROPERTY OWNER

**D.R. HORTON LOS ANGELES HOLDING
COMPANY, INC.**, a California corporation

By: _____
Barbara M. Murakami, Vice President

CONFIRMATION AND APPROVAL BY EMWD

EMWD has (a) confirmed that the Acquisition Facility(ies) described in Attachment A is/are complete and was/were constructed in accordance with the Plans therefor, and (b) reviewed, verified and approved the acquisition price of such Acquisition Facility(ies). Such Acquisition Facility(ies) is/are complete and the acquisition price therefor eligible for payment is \$ _____. The amount to be paid and the payee(s) are described in Attachment B.

By entering into the EMWD JCFA and confirming the matters set forth in the preceding paragraph regarding requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax exempt status of the Bonds for federal or State income tax purposes.

Date: _____

AUTHORIZED REPRESENTATIVE OF EMWD

By: _____

ATTACHMENT B

ACQUISITION PRICE PAYMENT INSTRUCTIONS

[Include name and address of payee and wire transfer instructions]

ATTACHMENT 11

FUNDING AGREEMENT

FUNDING AGREEMENT

THIS FUNDING AGREEMENT, dated _____, 2021, is by and between the City of Perris, California (the "City"), acting on behalf of Community Facilities District No. 2021-1 (Avion Pointe/ Acacia) of the City of Perris (the "District"), and D.R. Horton Los Angeles Holding Company, Inc., a California corporation, as landowner (the "Landowner") and as developer (the "Developer").

RECITALS

WHEREAS, the City has undertaken proceedings to form the City of Perris Community Facilities District No. 2021-1 (Avion Pointe/ Acacia) (the "District"), authorize the levy of special taxes within the District (the "Special Taxes"), and the issuance of bonds by the District (the "Bonds") pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting Sections 53311 *et seq.* of the California Government Code) (the "Act") to fund the payment of Public Fees (as herein defined) and related costs used to acquire, rehabilitate and/or construct Public Facilities (as defined herein); and

WHEREAS, the Landowner is the owner and the developer of the property within the proposed District as further described on Exhibit A-1 hereto, which the Developer intends to develop for residential purposes (the "Project"); and

WHEREAS, the City, Landowner and Developer will benefit from a coordinated plan of financing of the Public Fees and the Public Facilities through the District; and

WHEREAS, the Landowner, Developer and the City wish to finance the payment of all or a portion of the Public Fees as described on Exhibit B hereto (as it may be amended or supplemented) which fund the Public Facilities with funds deposited in the Improvement Fund (as defined herein); and

WHEREAS, the Landowner and City have entered into a Joint Community Facilities Agreement ("EMWD JCFA") with Eastern Municipal Water District ("EMWD") in order to fund certain Public Fees and Public Facilities of EMWD; and

WHEREAS, the City intends to eventually authorize the issuance of the Bonds under the Act and the Fiscal Agent Agreement (as defined herein), the proceeds of which shall be used, in part, to finance Public Fees and Public Facilities; and

WHEREAS, in conjunction with the issuance of permits for the construction of homes on the Property, the Landowner, Developer, or their successors or assigns, have agreed to either make deposits ("Deposits") with the City to secure the future payments of Public Fees from the proceeds of the Bonds or loans to the City to pay Public Fees ("Advances"), which loans will be repaid from the proceeds of the Bonds when issued, to the extent Bonds are issued; and

WHEREAS, if such Deposits or Advances are made, the Landowner, Developer or their successor and assigns shall be entitled to (i) payment of Public Fees (which shall fund public facilities after the issuance of the Bonds) from the proceeds of the Bonds and reimbursement of Deposits from funds other than the proceeds of the Bonds or (ii) repayment of such Advances limited to proceeds of the Bonds allocated for that purpose and the Advances being considered

an interest-free loan by the Landowner or Developer with no repayment obligation except to the extent there are proceeds of the Bonds allocated therefor; and

WHEREAS, in consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, Landowner and Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

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

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The following terms shall have the meanings ascribed to them in this Section 1.01 for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Fiscal Agent Agreement (as hereinafter defined).

“Act” means The Mello-Roos Community Facilities Act of 1982, being Chapter 2.5 of Part 1 of Division 2 of title 5 (commencing with Section 53311) of the California Government Code.

“Agreement” means this Funding Agreement, together with any Supplement hereto.

“Bonds” means the bonds, notes or other indebtedness of the District issued to generate proceeds for the Improvement Fund.

“City” means the City of Perris, California.

“County” means the County of Riverside, California.

“Developer” means D.R. Horton Los Angeles Holding Company, Inc., a California corporation, and its successors and assigns (other than individual homebuyers) in accordance with the terms of this Agreement.

“District” means Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, a community facilities district organized and existing under the laws of the State of California.

“District Representative” means the City Manager or Finance Director or his/her designee.

“Fiscal Agent” means the fiscal agent identified in the Fiscal Agent Agreement, or any successor thereto acting as fiscal agent under the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means a fiscal agent agreement between the City and the Fiscal Agent, providing for, among other matters, the issuance of the Bonds and the

establishment of the Improvement Fund, as it may be amended or supplemented from time to time.

“Improvement Fund” means the Improvement Fund established by a Fiscal Agent Agreement relating to the issuance of the Bonds of the District, from which the Public Fees shall be paid. The Improvement Fund may be comprised of one or more accounts, as described in the Fiscal Agent Agreement.

“Landowner” means D.R. Horton Los Angeles Holding Company, Inc., a California corporation.

“MOU” means the Memorandum of Understanding, dated January 12, 2021, between the City and the Landowner.

“Party” means either the City, the Developer or the Landowner; “Parties” means the Landowner, the Developer and the City.

“Payment Request” means a document, substantially in the form of Exhibit C hereto, to be used in requesting a payment of a Public Fee for a Public Facility.

“Public Facility” or “Public Facilities” means any facility or facilities described in the resolution of intention relating to the District and in the fee programs of the City or other public agency, including EMWD, as applicable.

“Public Fees” means one or more of the fees described in Exhibit B hereto which are eligible to be financed out of the Improvement Fund and includes fees described in the EMWD JCFA.

“Prior CFD” means Community Facilities District No. 2006-3 (Alder) of the City of Perris.

“Rate and Method” means the particular Rate and Method of Apportionment of Special Taxes approved by the qualified electors within the District.

“Special Taxes” means the special taxes authorized to be levied in the District pursuant to the Rate and Method.

“Supplement” means a written document amending, supplementing or otherwise modifying this Agreement and any exhibit hereto, including any amendments to the list of Public Fees in Exhibit B, and/or the addition to Exhibit B of additional Public Fees to be financed with the proceeds of the Bonds deposited in the Improvement Fund.

ARTICLE II

FUNDING

Section 2.01 Proceedings. The City shall, in its discretion, conduct all necessary proceedings under the Act for the formation of the District and the issuance, sale and delivery of the Bonds.

Section 2.02 Bonds. The City shall not be obligated to pay the Advances or Public Fees thereof except from amounts on deposit in the Improvement Fund. The City makes no warranty, express or implied, that the proceeds of the Bonds deposited and held in the Improvement Fund, and any investment earnings thereon to remain in the Improvement Fund, will be sufficient to pay for all of the Public Fees or Advances.

Section 2.03 Proceeds. The proceeds of the Bonds shall be deposited, held, invested, reinvested and disbursed as provided in the Fiscal Agent Agreement. A portion of the proceeds of the Bonds will be set aside in the Improvement Fund. Moneys in the Improvement Fund shall be deposited, held, invested, reinvested and disbursed therefrom in accordance with the provisions of the Fiscal Agent Agreement and the applicable provisions hereof for payment of all or a portion of the Public Fees, all as herein provided.

The Landowner and Developer acknowledge that any lack of availability of amounts in the Improvement Fund to pay the Public Fees or Advances shall in no way diminish any obligation of the Landowner and/or Developer, as the case may be, with respect to the public facilities and mitigation measures required in connection with the Project by any development or other agreement to which the Landowner and/or Developer, is a party, or any governmental approval to which the Developer or Landowner is subject (collectively, the "Improvement Agreements"). In addition, the Landowner and Developer acknowledge that payment of the Public Fees hereunder shall in no manner diminish the Landowner's or Developer's obligation to pay any increases in said Public Fees with respect to the Project applicable to the Landowner and/or Developer from its own funds.

Section 2.04 Continuing Disclosure Agreement. The Landowner and Developer agree to provide to the City, and to require each transferee or assignee to provide to the City all information regarding the development within the District, including the financing plan for such development, which is necessary to ensure that the City complies with its continuing disclosure obligations under the Fiscal Agent Agreement and all other applicable federal and state securities laws.

Section 2.05 MOU and Letter of Credit. Pursuant to the MOU, the Landowner has agreed to provide a letter of credit to secure payment of Special Taxes in the CFD. The Developer and Landowner understand and agree to provide such letter of credit as described in the MOU. The parties agree to work cooperatively with the terms of the letter of credit and issuance of the Bonds in order to accomplish the purposes of the MOU and the City's concerns about the size of the District and proposed Bond issues.

ARTICLE III

PAYMENT OF PUBLIC FEES

Section 3.01 Verification. No payment hereunder shall be made by the City to or on behalf of the Landowner and/or Developer for a Public Fee, Deposit or Advance until the amount has been verified by the District Representative. No payment hereunder shall be made by the City or on behalf of the Landowner and/or Developer for a Public Fee, Advance or Deposit if the City determines not to finance said fee upon advice of counsel or due to changes in the Act. No payment shall be made to any transferee developer or owner of the property unless such party becomes a party to this Agreement by assignment or otherwise pursuant to the terms hereof.

Section 3.02 Requests. The Landowner or Developer may make Deposits or Advances related to Public Fees prior to the issuance of the Bonds pursuant to Section 3.06 and 3.07 hereof. Following the issuance of the Bonds, the Developer shall cause a Payment Request to be submitted to the City for the payment of all of the remaining City's Public Fees subject to this Agreement and requested by the City.

In order to cause a Public Fee, Advance or Deposit (pursuant to this Article) to be paid, the Landowner or Developer (with respect to its property) shall deliver to the District Representative: (i) a Payment Request in the form of Exhibit C hereto for such Public Fee, Advance or Deposit and (ii) such invoices or documentation to evidence said Payment Request. The Developer and Landowner each authorize the other to act on its behalf in providing such Payment Requests and (iii) such information and requests required by the EMWD JCFA with respect to EMWD's facilities.

Section 3.03 Payment Requests. Upon receipt of a Payment Request to pay the Public Fees (and all accompanying documentation), the District Representative shall conduct a review in order to confirm that such request is complete, and to verify and approve the amount of the Public Fee, Advance or Deposit specified in such Payment Request. The District Representative shall conduct each such review in a diligent manner and the Developer and Landowner agree to reasonably cooperate with the District Representative in conducting each such review and to provide the District Representative with such additional information and documentation as is reasonably necessary for the District Representative to conclude each such review. Within thirty (30) business days of receipt of any Payment Request, the District Representative shall notify the Developer or Landowner, as the case may be, whether such Payment Request is complete, and, if not, what additional documentation must be provided. If such Payment Request is complete, the District Representative will provide a written approval or denial of the request within thirty (30) days of its submittal. If the District Representative disapproves any Payment Request, it shall provide written notice of disapproval to the Developer or Landowner within such thirty (30) day period stating in reasonable detail the reasons for such disapproval and the changes to the Payment Request necessary to obtain the District Representative's approval. The District Representative's review of any Payment Request may be made on an individual fee basis such that the District Representative may approve for payment any Public Fee, Advance or Deposit covered by a Payment Request that complies with the requirements of this Agreement even if the District Representative disapproves other Public Fees, Advances or Deposits included as part of the same Payment Request; provided, however that the District Representative may request that a new Payment Request be submitted evidencing Public Fees, Advances or Deposits that the District Representative shall approve.

The City shall be entitled to withhold payment for any Public Fees to be paid to a public entity other than the City if the Developer or Landowner does not provide the District Representative with evidence that such entity has verified the amount to be paid as such Public Fee. Payment of Public Fees to EMWD shall also be made pursuant to the terms of the EMWD JCFA.

Following the issuance of the Bonds, the Developer shall cause a Payment Request to be submitted to the City for the payment of all of the remaining City's Public Fees subject to this Agreement and requested by the City. The Developer and Landowner agree to pay such fees immediately upon issuance of the Bonds to the extent there are sufficient proceeds of the Bonds and prior to the payment of any fees or facilities due and owing to EMWD or other public agencies from proceeds of the Bonds. Notwithstanding the previous sentence, the Developer and

Landowner shall be responsible for any increases in Public Fees subsequent to payment hereunder to the extent such increases apply to the Developer's and Landowner's property pursuant to the resolutions and ordinances of the City enacting Public Fees. At the same time of the payment of the Public Fees, the Developer or Landowner may request return of the Advances and/or reimbursement of any Deposits, as the case may be. To the extent there are two bond issues supported by the separate parcels related to the District, such Public Fees may be paid on a former tract map basis.

The City may, in its discretion, prior to the issuance of the Bonds pay City Public Fees (including reimbursements of Advances or Deposits) from Special Taxes.

Section 3.04 Payment. Upon approval of the Payment Request (or any portion thereof) by the District Representative, the District Representative shall sign the Payment Request and shall, within ten (10) business days of receipt of the approved Payment Request, cause the same to be paid, to the extent of funds then on deposit in the Improvement Fund. Any approved Payment Request not paid due to an insufficiency of funds in the Improvement Fund shall be paid promptly following the deposit into the Improvement Fund of additional proceeds of the Bonds, earnings on the Improvement Fund or other funds deposited or transferred therein pursuant to the Fiscal Agent Agreement, if any. Upon the exhaustion of the Improvement Fund as a result of paying Public Fees to the governmental entity charging such Public Fees (the "Charging Entity"), and/or reimbursing the Developer and/or Landowner for Public Fees and Facilities advanced by the Developer, all remaining Public Fees shall be paid directly by the Developer and/or Landowner, as applicable, from its own funds at such time as such fees are normally required to be paid.

Section 3.05 Payment For Public Facilities, Deposits and Advances. The Landowner has petitioned the City to form the District for the purpose of financing the Public Fees and Public Facilities of certain public agencies, which Public Fees shall be used pursuant to the law to finance, the acquisition and/or construction of various public facilities to be owned and operated by said public agencies. The Landowner shall not own any of the Public Facilities. Pending the issuance of the Bonds, the Developer or Landowner may make Advances or Deposits of Public Fees for public facilities and be reimbursed as provided in Section 3.06 and 3.07.

Section 3.06 Payment of Deposits. In conjunction with the recording of the final subdivision map(s) for the Project, and the issuance of building permits for the construction of homes within the Project, it may be necessary for the Developer, Landowner, or its successors or assigns, to make deposits (the "Deposits") equal to the amount of Public Fees then required. The Developer or Landowner shall notify the City in writing of its intention to pay Public Fees as Deposits and Advances when it requests such permit or action and the City shall determine whether to treat it as an Advance (pursuant to Section 3.07) or Deposit. To the extent the City does not make such determination, such amount shall be treated as an Advance pursuant to Section 3.07. With respect to Deposits, upon or following the issuance and sale of the Bonds, Developer and/or Landowner may execute and submit a Disbursement Request to the District requesting payment of such Public Fees to the City or other public agency of an amount equal to such Deposits from the proceeds of the Bonds. Within ten (10) business days of the City's receipt of funds pursuant to such approved Payment Request, the City shall return the Deposits to the Developer and/or Landowner, as applicable. The City shall refund the Deposit from any funds of the City excluding the Bond proceeds. In the event Bonds are not issued within twenty four (24) months of the date of any Deposits, such Deposits may at the written discretion of the

City, be applied to pay the Public Fees, and shall no longer be reflected as a deposit on the accounts of the City. To the extent the Developer desires to make deposits equal to the sum of the authorized fees due to other public agencies prior to the issuance of the Bonds, the Developer must enter into an agreement with such agency to such effect. The City will cooperate with the Developer in facilitating such agreements.

Section 3.07 Payment as Advances. In conjunction with the recording of the final subdivision map(s) for the Project, and the issuance of building permits for the construction of homes within the project, the Developer, Landowner, or its successors or assigns, may make advances of Public Fees as a no interest loan to the City (the "Advances") equal to the amount of Public Fees then required. All payments by the Developer or Landowner shall be deemed to be Advances unless the City has determined to treat them as Deposits per Section 3.06 above. Upon or following the issuance and sale of the Bonds, the Developer and/or Landowner may execute and submit a Disbursement Request to the District requesting reimbursement of such Advances from Bond Proceeds. Within ten (10) business days of the City's receipt of funds pursuant to such approved Payment Request, the City shall return the Advances to the Developer and/or Landowner, as applicable. In the event Bonds are not issued within twenty-four (24) months of the date of any Advances, such Advances may at the written discretion of the City and the District shall no longer be required to reimburse such Advances. The City may expend the Advances on public facilities prior to the issuance of the Bonds. For allocation purposes, the City's policy is to spend Advances and Public Fees which constitute proceeds of the Bonds on the first eligible capital expenditure for public improvements for expenditure of bond proceeds prior to expenditure of any other funds.

Section 3.08 Community Facilities Fee. The Landowner and Developer agree to pay a fee of \$1,000 per unit, which fee shall be used toward Public Facilities and other facilities referenced in the proceedings of the District. Such amount may be paid from the proceeds of the Bonds.

Section 3.09 Costs of Forming District and Issuing Bonds. The City has agreed to expend up to \$100,000 of the costs of forming the District and removing the Prior CFD from the special taxes collecting in the Prior CFD pursuant to the MOU. The City and the Landowner desire that in accordance with Section 53314.9 of the Act in order to provide for the advancement of funds by the Landowner or Developer to be used to pay costs incurred in connection with the formation of the District and/or the issuance of the Bonds ("Costs") and to provide for the reimbursement to the Owner of such funds advanced, without interest, from the proceeds of the Bonds. Within five business days of a request of the City for funds for such Costs, the Developer or Landowner shall transfer the amount of requested funds to City to use for such Costs, if any. The District may reimburse such funds from the proceeds of the Bonds to be issued by the District. The City shall return any unexpended funds to Landowner. The City may also pay any of such Costs from Special Taxes.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.01 Covenants and Warranties of the Developer and Landowner. The Developer and Landowner represent and warrant for the benefit of the City as follows:

A. Organization. The Landowner is a California corporation, in compliance with the laws of the State of California and has the power and authority to own its property and assets and to carry on its business as now being conducted and as now contemplated. The Developer is a California corporation, duly organized under the laws of the State of California and has the power and authority to own its property and assets and to carry on its business as now being conducted and as now contemplated.

B. Authority. The Developer and the Landowner have the power and authority to enter into this Agreement, and have taken all action necessary action on their part to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer and the Landowner.

C. Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer and Landowner, enforceable against the Developer and Landowner in accordance with its terms.

D. Financial Records. The Developer and Landowner covenant to maintain proper books of record of its payment of its Deposits, Advances and Public Fees. Such accounting books shall be maintained in accordance with generally accepted accounting principles; and shall be available for inspection by the City or its agent at any reasonable time during regular business hours on reasonable notice.

E. Plans. The Developer represents that it has obtained or will obtain approval of the plans for the Project to be constructed by the Developer from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that the Project to be constructed by the Developer has been or will be constructed in compliance with such approved plans and specifications and any supplemental agreements (change orders) thereto, as approved in the same manner.

F. Tax Exemption. The Developer and Landowner shall not take any action with respect to this Agreement or the Bonds which shall cause the interest on the Bonds to be included in gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended.

Section 4.02 Indemnification and Hold Harmless of Landowner and Developer and limitation of liability of City. To the greatest extent permitted by law, the Developer and Landowner shall assume the defense of, indemnify, and hold harmless the City, its officers, directors, employees and agents and each of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from this Agreement and the Bonds.

The Developer and Landowner acknowledge that neither the District nor the City would have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement. Any and all obligations of the District and the City hereunder shall be payable only from proceeds of Bonds, to the extent such proceeds may become available. Neither the District nor the City shall have any pecuniary liability for any act or omission of the District or the City. In no event will an act, or an omission or failure to act, by the District or the City with respect to the sale or proposed sale or issuance of the Bonds subject the District or the City to pecuniary liability therefor.

In light of the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement, other than to compel payment by the District to the Developer of the amount of Bond proceeds to be applied to the payment of Public Fees in accordance with the provisions hereof.

The Landowner and Developer hereby agree to indemnify, hold harmless and defend the City, the Prior CFD and the District from any and all claims of any nature or kind asserted by any party, including but not limited to the Original Developers, the Prior Owner, or any party to the Prior School and Water Agreements with respect to the MOU (as such terms are defined in the MOU), the Prior CFD and the prior funding commitments thereunder like the Prior School and Water Agreements (as defined in the MOU). To the extent the City expends the special taxes related to the Prior CFD on anything else than administrative expenses of the Prior CFD, administrative expenses of the District or facilities and fees of the type described in the resolution of intention related to Prior CFD, the City will pay to the Landowner or Developer following a final non-appealable final judgment related to this expenditure against the Landowner or Developer up to the amount of the special taxes expended on other items. This previous sentence is not intended to limit any indemnification requirements of the Landowner or Developer herein, nor is it intended to apply in any suit by the Original Owners, or any assignees thereof, the Prior Owner or any former developer/owner of the property.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.01 Default Remedies. Subject to the extensions of time as agreed to in writing by the parties hereto, failure by either party to perform any action or covenant required by this Agreement within the time periods provided herein following Notice and failure to cure as described hereafter, constitutes a "Default" under this Agreement. A Party claiming a Default shall give written Notice of Default to the other Party specifying such Default. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against any other Party, and the other Party shall not be in Default if such party within thirty (30) days from receipt of such Notice immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with diligence.

Section 5.02 Institution of Legal Actions. The Parties shall be entitled to seek any remedy available at law and in equity for the other Party's Default. All legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in an appropriate municipal court in Riverside County, or in the United States District Court for the District of California in which Riverside County is located.

Section 5.03 Acceptance of Service of Process. In the event that any legal action is commenced by the Developer and/or Landowner against the City, service of process on the City shall be made by personal service upon the City Clerk or in such other manner as may be provided by law. In the event that any legal action is commenced by the City against the Developer and/or Landowner, service of process on the Developer and/or Landowner shall be made in such manner as may be provided by law.

Section 5.04 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise

by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party.

Section 5.05 Inaction Not a Waiver of Default. Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 5.06 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 5.07 Attorneys' Fees. In any action between the Parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action or other proceeding shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees.

ARTICLE VI

GENERAL

Section 6.01 Mutual Consent. This Agreement may be amended or terminated by the mutual written consent of the City, the Landowner and the Developer, and the Developer or Landowner shall have no claim or right to any portions of moneys in the Improvement Fund except as otherwise may be provided in such written consent and subject to Federal and State law.

Section 6.02 Audit. The City shall have the right, during normal business hours and upon the giving of five (5) business days' prior written notice to the Developer, to review all books and records of the Developer or Landowner, as applicable relating to this Agreement and the Public Fees.

Section 6.03 Notices, Demands and Communications Between the Parties. Any notices, requests, demands, documents, approvals or disapprovals given or sent under this Agreement from one Party to another Party (collectively, "Notices") may be personally delivered, transmitted by facsimile (FAX) transmission, or deposit with the United States Postal Service for mailing, postage prepaid, to the address of the other Party as stated in this Section, and shall be deemed to have been given or sent at the time of personal delivery or FAX transmission or, if mailed, on the third day following the date of deposit in the course of transmission with the United States Postal Service. Notices may also be given by email to the parties listed below and shall be considered received upon an acknowledgment of receipt by the party to whom it is sent for notice purposes. Automatic email receipts shall not be sufficient. Notices shall be sent as follows:

If to City:

City of Perris
Attn: City Manager
101 N. "D" Street
Perris, CA 92570
Phone: (951) 943-6100
Fax: (951) 657-1087
Email: cityclerk@cityofperris.org

With copies to:

Aleshire & Wynder, LLP
Attn: Eric Dunn, City Attorney
18881 Von Karman Avenue, Ste. 1700
Irvine, CA 92612
Phone: 949/933-7811
Fax No. (949) 223-1180
Email: edunn@awattorneys.com

If to Developer or Landowner :

D.R. Horton, *America's Builder*
2280 Wardlow Circle, Suite 100
Corona, CA 92880
Attn: Barbara M. Murakami,
Senior Vice President, Forward Planning & Entitlements,
Southern California
Phone: (951) 739-5443
Fax: (800)773-0485
Email: bmmurakami@drhorton.com

With a copy to:

O'Neil LLP
Attn: Sandra A. Galle
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612
Phone: (949) 798-0725
Fax: (949) 798-0511
Email: sgalle@oneil-llp.com

Section 6.04 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The Developer or Landowner, upon consent of the City, may assign its rights pursuant to this Agreement to a purchaser (an "Assignee") of a portion or portions of the property which is/are located within the District (the

“Property”). The Developer or Landowner and Assignee shall provide to the City such reasonable proof as it may require that such Assignee is the purchaser and/or developer of such portion(s) of the Property. Such Assignee shall, as a condition to paying for or receiving reimbursement for Public Fees under the terms hereof, enter into an assignment and assumption agreement with the City and the Developer or Landowner, in the form attached hereto as Exhibit D and as agreed to by the City, whereby such Assignee agrees, except as may be otherwise specifically provided therein, to assume the obligations of the Developer or Landowner pursuant to this Agreement with respect to this Agreement, and to be bound thereby. The City’s and the District’s obligations under this Agreement shall cease to the extent a proper assignment has not been executed by the City and neither the Landowner nor the Developer own any of the property in the District.

Section 6.05 Relationship Between City, Developer and Landowner. It is hereby acknowledged by the Developer and Landowner that the relationship between the City, Developer and Landowner is not that of a partnership or joint venture and that the City, Developer and Landowner shall not be deemed or construed for any purpose to be the agent of the other. The Developer agrees to indemnify, hold harmless and defend the City from any claim made against the City arising from a claimed relationship of partnership or joint venture between the City, Developer and Landowner with respect to the development, operation, maintenance or management of the site or the Project.

Section 6.06 No Third Party Rights. The Parties intend that no rights nor remedies be granted to any third party as a beneficiary of this Agreement or of any covenant, duty, obligation or undertaking established herein.

Section 6.07 Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

Section 6.08 Other Agreements. The obligations of the Developer and Landowner hereunder shall be that of a party hereto. Nothing herein shall be construed as affecting the City’s, Developer’s, or Landowner’s rights, or duties to perform their respective obligations, under other agreements, use regulations or subdivision requirements relating to the development. This Agreement shall not confer any additional rights, or waive any rights given, by either party hereto under any development or other agreement to which they are a party.

Section 6.09 Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

Section 6.10 Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word “including” shall be construed as if followed by the words “without limitation.” This Agreement shall be interpreted as though prepared jointly by both Parties.

Section 6.11 No Waiver. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other Party shall not be

construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

Section 6.12 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

Section 6.13 Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

Section 6.14 Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

Section 6.15 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

Section 6.16 Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

Section 6.17 Conflicts of Interest. No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Section 6.18 Non-Liability of Officials and Employees of City. No member, official or employee of the City shall be personally liable to the Developer or Landowner, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to the Developer or Landowner or their successors, or on any obligations under the terms of this Agreement. The Developer and Landowner hereby waives and releases any claim it may have against the members, officials or employees of the City with respect to any Default or breach by the City or for any amount which may become due to the Developer or Landowner or their successors, or on any obligations under the terms of this Agreement. The

Developer and Landowner make such release with full knowledge of Civil Code Section 1542 and hereby waive any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Section 6.19 Effectiveness of Agreement. This Agreement shall be effective when authorized and executed by Developer, Landowner, and City.

Section 6.20 Counterparts. This Agreement may be executed in counterparts.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the respective date set forth above.

“CITY”

CITY OF PERRIS, a municipal corporation

By: _____
City Manager

ATTEST:

By: _____
Nancy Salazar, City Clerk

“DEVELOPER”:

D.R. HORTON LOS ANGELES HOLDING COMPANY, INC., a California corporation

By: _____
Barbara M. Murakami, Vice President

“LANDOWNER”:

D.R. HORTON LOS ANGELES HOLDING COMPANY, INC., a California corporation

By: _____
Barbara M. Murakami, Vice President

EXHIBIT A

PROPERTY DESCRIPTION

[See Attached Map showing Boundaries and Assessor Parcel Numbers]

EXHIBIT B
ELIGIBLE PUBLIC FEES LIST
PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2021-1
(Avion Pointe/ Acacia)
OF THE CITY OF PERRIS
BOND FINANCED FEES SUMMARY

The following public fees are eligible for payment:

Description	Costs*
City of Perris	Per Unit
Police	\$ 59
Fire	362
Community Amenities	1,120
Government Facilities	576
Parks	7,884
Transportation Facilities	4,025
Community Facilities Fee	1,000
<i>Sub-Total:</i>	<i>\$ 15,026</i>
 Eastern Municipal Water District Fees	 Per Unit
2020 Fees	
Water Financial Participation	\$ 5,501
Sewer Financial Participation	2,914
Sewer Treatment Plant Capacity	5,938
Water Supply Development Fee	300
Water Meter Fee	377
2021 Fees	
Water Financial Participation	\$ 5,584
Sewer Financial Participation	2,958
Sewer Treatment Plant Capacity	6,027
Water Supply Development Fee	300
Water Meter Fee	377
<i>Sub-Total:</i>	<i>\$ 15,242</i>

*Amounts may change due to increases in fees. Developer is responsible for payment of increased amounts from its own funds to the extent insufficient funds exist under this Agreement or the Bond documentation. Such fees may not be eligible for payment to the extent of changes in the Act or the City is advised by its Counsel or Bond Counsel that it may not finance the fees pursuant to the Act. Any EMWD fees must comply with the EMWD JCFA.

*Funding of fees/facilities is subject to discussion with bond counsel at issuance to determine eligibility for tax-exempt versus taxable financing.

EXHIBIT C

PAYMENT REQUEST NO. _____

The undersigned **D.R. HORTON LOS ANGELES HOLDING COMPANY, INC.**, a California corporation, as developer and landowner (collectively, "Landowner") hereby requests payment in the total amount of \$_____ (the "Requested Amount") to the City of Perris for the Public Fees (as defined in the Funding Agreement, dated as of _____, 2021 ("Funding Agreement"), by and between the City of Perris (the "City") and Landowner, and described in Exhibit B to that Agreement), all as more fully described in Attachment 1 hereto. In connection with this Payment Request, the undersigned hereby represents and warrants to the City and the District as follows:

1. He (she) is a duly authorized officer or authorized representative of the Landowner, qualified to execute this Payment Request for payment on behalf of the Landowner and is knowledgeable as to the matters set forth herein.
2. The Landowner is the owner of the property subject to this Payment Request and the property is located in the District.
3. The Requested Amount represents the payment of [Public Fees/Deposits/Advances] described on the Attachment hereto which are now due and payable, and have not been inflated in any respect. The Requested Amount not been the subject of any prior payment request submitted to the City.
4. Supporting documentation is attached with respect to each Public Fee/Advance or Deposit for which payment is requested.
5. The Landowner is in compliance with the terms and provisions of the Funding Agreement and no portion of the Requested Amount for such items was previously paid.
6. [Appropriate description if items have been assigned].
7. [Deposits in the amount of ___ have been made in connection with the Public Fees. Please pay ___ to the City and reimburse Deposit to the Landowner as previously described.][Describe as appropriate for Deposit or Advance].

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

LANDOWNER:

D.R. HORTON LOS ANGELES HOLDING COMPANY, INC.

CITY:

Payment Request Approved for Submission to Fiscal Agent

By: _____
Authorized Representative of Developer

By: _____
Finance Director or City Manager

Date: _____

Date: _____

ATTACHMENT 1
SUMMARY OF PUBLIC FEES
TO BE PAID AS PART OF PAYMENT REQUEST NO. _____

Charging Entity	Title of Fee	Actual Cost	Disbursement Requested

[List here all Fees for which payment is requested,
and attach support documentation]

EXHIBIT D

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Pursuant to a Funding Agreement dated as of ____, 2021 (the "Agreement") by and between the City of Perris ("City") and D.R. Horton Los Angeles Holding Company, Inc., a California corporation, as developer and landowner, which Agreement is hereby incorporated herein by this reference, and for good and valuable consideration, receipt of which is hereby acknowledged, the undersigned agree as follows:

1. The assignment and assumption provided for under this Assignment and Assumption Agreement ("Assignment") is made together with the sale, transfer or assignment of all or a part of the property subject to the Agreement. The property sold, transferred or assigned together with this Assignment is included within the District and described in "Attachment 1" attached hereto and incorporated herein by this reference (the "Subject Property").

2. _____, as the assignor hereof (the "Assignor") hereby grants, sells, transfers, conveys assigns and delegates to _____ ("Assignee"), all of Assignor's rights, title, interest, benefits, privileges, duties and obligations arising under or from the Agreement with respect to the Subject Property and the Public Fees for the Public Facilities authorized to be funded by the District with respect to the District except for the following:

3. Assignee hereby accepts the foregoing assignment and unconditionally assumes and agrees to perform all of the duties and obligations of Assignor arising under or from the Agreement as owner of the Subject Property.

4. The sale, transfer or assignment of the Subject Property and the assignment and assumption provided for under this Assignment are the subject of additional agreements between Assignor and Assignee. Notwithstanding any term, condition or provision of such additional agreements, the rights of the City arising under or from the Agreement and this Assignment shall not be affected, diminished or defeated in any way, except upon the express written agreement of the City.

5. Assignor and Assignee execute this Assignment pursuant to Section 6.04 of the Agreement, and the City evidences its consent to this Assignment by signing below.

IN WITNESS WHEREOF, the parties have executed this Assignment on _____.

ASSIGNOR:

D.R. HORTON LOS ANGELES HOLDING COMPANY, INC., a California corporation, as Landowner and Developer

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

CITY:

CITY OF PERRIS

By: _____

Its: City Manager

ATTACHMENT 12

NOTICE OF CESSATION

RECORDING REQUESTED BY)
AND WHEN RECORDED, MAIL TO:)
))
CITY OF PERRIS)
101 North "D" Street)
PERRIS, CALIFORNIA 92570)
ATTENTION:Nancy Salazar, City Clerk)
))
))
))
))
))
))
))

(Space Above This Line for Recorder's Office Use Only)

This document is recorded for the benefit of the City of Perris, a public agency, and is fee-exempt under Section 6103 and 27383 of the California Government Code.

NOTICE OF CESSATION OF SPECIAL TAX

City of Perris
Community Facilities District No. 2006-3
(Alder)

Pursuant to the requirements of Government Code Section 53330.5, the undersigned clerk of the legislative body of Community Facilities District No. 2006-3 (Alder) of the City of Perris (the "District"), State of California, hereby gives notice as follows:

The obligation to pay the special taxes levied within the District has ceased and the lien imposed by the Amended and Restated Notice of Special Tax Lien recorded as recorder's Document No. 2007-0431213 in the records of the Office of the County Recorder of the County of Riverside County, State of California, is extinguished for all of the parcels in the District and such special taxes shall hereafter permanently cease to be levied. The attached Exhibit A contains the property owner and assessor's parcel numbers for all of the properties in the District of which the lien of special taxes is hereby ceased and eliminated. Reference is made here to the boundary map of the District recorded on September 12, 2006, in Book 67 of the Maps of Assessments and Community Facilities Districts, at page 96, and as Instrument No. 2006-0674633, in the Office of the County Recorder of the County of Riverside, State of California.

Dated: _____, 2021

Nancy Salazar, City Clerk

EXHIBIT A
DESCRIPTION OF AFFECTED PARCELS, BY ASSESSOR'S TAX PARCEL NUMBER

<u>Assessor's Parcel Number</u>	<u>Owner</u>
311-161-001	D.R. Horton Los Angeles Holding Company, Inc.
311-161-002	D.R. Horton Los Angeles Holding Company, Inc.
311-161-003	D.R. Horton Los Angeles Holding Company, Inc.
311-161-004	D.R. Horton Los Angeles Holding Company, Inc.
311-161-005	D.R. Horton Los Angeles Holding Company, Inc.
311-161-006	D.R. Horton Los Angeles Holding Company, Inc.
311-161-007	D.R. Horton Los Angeles Holding Company, Inc.
311-161-008	D.R. Horton Los Angeles Holding Company, Inc.
311-161-009	D.R. Horton Los Angeles Holding Company, Inc.
311-161-010	D.R. Horton Los Angeles Holding Company, Inc.
311-161-011	D.R. Horton Los Angeles Holding Company, Inc.
311-161-012	D.R. Horton Los Angeles Holding Company, Inc.
311-161-013	D.R. Horton Los Angeles Holding Company, Inc.
311-161-014	D.R. Horton Los Angeles Holding Company, Inc.
311-161-015	D.R. Horton Los Angeles Holding Company, Inc.
311-161-016	D.R. Horton Los Angeles Holding Company, Inc.
311-161-017	D.R. Horton Los Angeles Holding Company, Inc.
311-161-018	D.R. Horton Los Angeles Holding Company, Inc.
311-161-019	D.R. Horton Los Angeles Holding Company, Inc.
311-161-020	D.R. Horton Los Angeles Holding Company, Inc.
311-161-021	D.R. Horton Los Angeles Holding Company, Inc.
311-161-022	D.R. Horton Los Angeles Holding Company, Inc.
311-161-023	D.R. Horton Los Angeles Holding Company, Inc.
311-161-024	D.R. Horton Los Angeles Holding Company, Inc.
311-161-025	D.R. Horton Los Angeles Holding Company, Inc.
311-161-026	D.R. Horton Los Angeles Holding Company, Inc.
311-161-027	D.R. Horton Los Angeles Holding Company, Inc.
311-161-028	D.R. Horton Los Angeles Holding Company, Inc.
311-161-029	D.R. Horton Los Angeles Holding Company, Inc.
311-161-030	D.R. Horton Los Angeles Holding Company, Inc.
311-161-031	D.R. Horton Los Angeles Holding Company, Inc.
311-161-032	D.R. Horton Los Angeles Holding Company, Inc.
311-161-033	D.R. Horton Los Angeles Holding Company, Inc.
311-161-034	D.R. Horton Los Angeles Holding Company, Inc.
311-161-035	D.R. Horton Los Angeles Holding Company, Inc.
311-162-001	D.R. Horton Los Angeles Holding Company, Inc.
311-162-002	D.R. Horton Los Angeles Holding Company, Inc.
311-162-003	D.R. Horton Los Angeles Holding Company, Inc.
311-162-004	D.R. Horton Los Angeles Holding Company, Inc.
311-162-005	D.R. Horton Los Angeles Holding Company, Inc.
311-162-006	D.R. Horton Los Angeles Holding Company, Inc.
311-162-007	D.R. Horton Los Angeles Holding Company, Inc.
311-162-008	D.R. Horton Los Angeles Holding Company, Inc.

311-162-009	D.R. Horton Los Angeles Holding Company, Inc.
311-162-010	D.R. Horton Los Angeles Holding Company, Inc.
311-162-011	D.R. Horton Los Angeles Holding Company, Inc.
311-162-012	D.R. Horton Los Angeles Holding Company, Inc.
311-162-013	D.R. Horton Los Angeles Holding Company, Inc.
311-162-014	D.R. Horton Los Angeles Holding Company, Inc.
311-162-015	D.R. Horton Los Angeles Holding Company, Inc.
311-162-016	D.R. Horton Los Angeles Holding Company, Inc.
311-162-017	D.R. Horton Los Angeles Holding Company, Inc.
311-162-018	D.R. Horton Los Angeles Holding Company, Inc.
311-162-019	D.R. Horton Los Angeles Holding Company, Inc.
311-162-020	D.R. Horton Los Angeles Holding Company, Inc.
311-162-021	D.R. Horton Los Angeles Holding Company, Inc.
311-162-022	D.R. Horton Los Angeles Holding Company, Inc.
311-340-012	D.R. Horton Los Angeles Holding Company, Inc.
311-340-013	D.R. Horton Los Angeles Holding Company, Inc.
311-340-014	D.R. Horton Los Angeles Holding Company, Inc.
311-340-015	D.R. Horton Los Angeles Holding Company, Inc.
311-340-016	D.R. Horton Los Angeles Holding Company, Inc.
311-340-017	D.R. Horton Los Angeles Holding Company, Inc.
311-340-018	D.R. Horton Los Angeles Holding Company, Inc.
311-340-019	D.R. Horton Los Angeles Holding Company, Inc.
311-340-020	D.R. Horton Los Angeles Holding Company, Inc.
311-340-021	D.R. Horton Los Angeles Holding Company, Inc.
311-340-022	D.R. Horton Los Angeles Holding Company, Inc.
311-340-023	D.R. Horton Los Angeles Holding Company, Inc.
311-340-024	D.R. Horton Los Angeles Holding Company, Inc.
311-340-025	D.R. Horton Los Angeles Holding Company, Inc.
311-340-026	D.R. Horton Los Angeles Holding Company, Inc.
311-472-001	D.R. Horton Los Angeles Holding Company, Inc.
311-472-002	D.R. Horton Los Angeles Holding Company, Inc.
311-472-003	D.R. Horton Los Angeles Holding Company, Inc.
311-472-004	D.R. Horton Los Angeles Holding Company, Inc.
311-472-005	D.R. Horton Los Angeles Holding Company, Inc.
311-472-006	Lorena Rocha; Oscar Rocha Hernandez
311-472-007	Akaash Pillay; Bali Aaryan; Vanita Sharon
311-472-008	Joe Martinez; Arthur Martinez; Candice Marie
311-472-009	Maria C. Torres Family Grantor Trust Dated 5/29/19 Gabriela E. Salazar
311-472-010	D.R. Horton Los Angeles Holding Company, Inc.
311-472-011	D.R. Horton Los Angeles Holding Company, Inc.
311-472-012	D.R. Horton Los Angeles Holding Company, Inc.
311-472-013	D.R. Horton Los Angeles Holding Company, Inc.
311-472-014	D.R. Horton Los Angeles Holding Company, Inc.
311-472-015	D.R. Horton Los Angeles Holding Company, Inc.
311-472-016	D.R. Horton Los Angeles Holding Company, Inc.
311-472-017	D.R. Horton Los Angeles Holding Company, Inc.
311-472-018	D.R. Horton Los Angeles Holding Company, Inc.

311-472-019	D.R. Horton Los Angeles Holding Company, Inc.
311-472-020	D.R. Horton Los Angeles Holding Company, Inc.
311-472-021	D.R. Horton Los Angeles Holding Company, Inc.
311-470-001	D.R. Horton Los Angeles Holding Company, Inc.
311-470-002	D.R. Horton Los Angeles Holding Company, Inc.
311-470-003	D.R. Horton Los Angeles Holding Company, Inc.
311-470-004	D.R. Horton Los Angeles Holding Company, Inc.
311-470-005	D.R. Horton Los Angeles Holding Company, Inc.
311-470-006	D.R. Horton Los Angeles Holding Company, Inc.
311-470-007	D.R. Horton Los Angeles Holding Company, Inc.
311-470-008	D.R. Horton Los Angeles Holding Company, Inc.
311-470-009	Enrique Yanez Monteon
311-470-010	Ginh Le Tam Nguyen
311-470-011	Elias Rodriguez-Correa; Gabriela Rodriguez
311-470-012	2019 Nguyen-To Family Trust Dated 8/29/19 Jimmy Nguyen
311-470-013	My Home Enterprise
311-470-014	Rogelio Acosta
311-470-015	Wesley Undra Wright
311-470-016	Miguel Quispe
311-470-017	Juan Navarro Rios
311-470-018	Jose Aguilera
311-470-019	Adriana Soto; Juan C. Garcia
311-470-020	Honorio Lopez Zavala; Maria De Jesus S. Ramirez
311-470-021	Israel Zepeda; Maria Sally Raygoza
311-470-022	Saira Prudencio
311-470-023	D.R. Horton Los Angeles Holding Company, Inc.
311-470-024	D.R. Horton Los Angeles Holding Company, Inc.
311-470-025	Henry Perez; Ana Rosa Perez
311-470-026	Alfredo Martinez; Ana Rosa P. Martinez
311-470-027	Juan Manuel Baltazar; Patrisia S. Andrade
311-470-028	Lewis Alfaro Sanchez; Ana Faviola Alfaro
311-471-001	D.R. Horton Los Angeles Holding Company, Inc.
311-471-002	D.R. Horton Los Angeles Holding Company, Inc.
311-471-003	D.R. Horton Los Angeles Holding Company, Inc.
311-471-004	D.R. Horton Los Angeles Holding Company, Inc.
311-471-005	D.R. Horton Los Angeles Holding Company, Inc.
311-471-006	D.R. Horton Los Angeles Holding Company, Inc.
311-471-007	D.R. Horton Los Angeles Holding Company, Inc.
311-471-008	D.R. Horton Los Angeles Holding Company, Inc.
311-471-009	D.R. Horton Los Angeles Holding Company, Inc.
311-471-010	D.R. Horton Los Angeles Holding Company, Inc.
311-471-011	D.R. Horton Los Angeles Holding Company, Inc.
311-471-012	D.R. Horton Los Angeles Holding Company, Inc.

ATTACHMENT 13

**ORDINANCE AUTHORIZING LEVY OF
SPECIAL TAX**

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

WHEREAS, on February 9, 2021, the City Council (the “Council”) of the City of Perris, California (the “City”) adopted Resolution No. 5756 (the “Resolution of Intention”) declaring its intention to form Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (the “District”) 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 (the “Act”); and

WHEREAS, on March 30, 2021, and in accordance with the Act, the Council opened a public hearing after providing all notice required relating to the formation of the District, and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within the District, which will be used to pay principal and interest on bonds proposed to be authorized within the District, the proceeds of which will be applied to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property, including all furnishings, equipment and supplies related thereto; (2) the payment of development and other fees and the acquisition or construction of public facilities (collectively, the “Facilities”), which Facilities have a useful life of five years or longer; and (3) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District, as further described in the Resolution of Intention; and

WHEREAS, at the public hearing, all persons not exempt from the special tax desiring to be heard on all matters pertaining to the formation of the District, including the boundaries of the District, the special tax, and the Facilities, were heard and a full and fair hearing was held, and such matters were not precluded by a majority protest; and

WHEREAS, on March 30, 2021, following the close of the public hearing, the Council adopted a resolution establishing the District (the “Resolution of Formation”) and a resolution determining the necessity to incur bonded indebtedness of the District (the “Resolution to Incur Bonded Indebtedness”) each of which called a consolidated special election on March 30, 2021 within the District on a proposition relating to the levying of special taxes, the incurring of bonded indebtedness and the establishment of an appropriations limit for the District; and

WHEREAS, on March 30, 2021, a special election was held within the District at which the qualified electors approved by more than a two-thirds vote the proposition labeled on the official ballot as “Proposition A” which generally authorized the levy of special taxes within

the District for the purposes described in the Resolution of Intention and the issuance of bonded indebtedness for the District as described in the Resolution to Incur Bonded Indebtedness.

THE CITY COUNCIL OF THE CITY OF PERRIS, IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The Council finds the above recitals are true and correct and incorporated herein by this reference.

Section 2. By the passage of this Ordinance, the Council authorizes the levy of a special tax within the District at the maximum rate in accordance with the rate and method of apportionment for the District set forth as Exhibit "A" to the Resolution of Formation, and for reference purposes is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Rate and Method").

Section 3. The Council or its designee is hereby further authorized to determine, by ordinance, resolution, or by other action if permitted by then applicable law, on or before August 1 of each year, the specific special tax to be levied for the next ensuing fiscal year on each parcel of land in the District. The special tax to be levied shall not exceed the maximum rates set forth in the Rate and Method, but the special tax may be levied at a lower rate. The City Clerk is authorized and directed to file with the county auditor on or before the 10th day of August of each tax year a certified copy of such ordinance or resolution accompanied by a list of all parcels subject to the special tax levy with the tax to be levied on each parcel.

Section 3. Properties or entities of the state, federal or other local governments shall be exempt from the above-referenced and approved special taxes only to the extent set forth in Section 8 of the Rate and Method, and otherwise shall be subject to the tax consistent with the provisions of Section 53317.3 and 53317.5 of the Act in effect as of the date of adoption of this Ordinance.

Section 4. All of the collections of the special taxes pursuant to the Rate and Method shall be used only as provided for in the Act and Resolution of Formation. The special taxes shall be levied within the District only so long as needed to accomplish the purposes described in Resolution of Formation.

Section 5. The special taxes shall be collected pursuant to the Rate and Method from time to time as necessary to meet the financial obligations of the District on the secured real property tax roll in the same manner as ordinary ad valorem taxes are collected, or other procedures as may be adopted by the Council. The City Manager, or his or her designee, is hereby authorized and directed to provide or to cause to be provided all necessary information to the auditor/tax collector of the County of Riverside and to otherwise take all actions necessary in order to effect proper billing and collection of the special taxes, so that the special taxes shall be levied and collected in sufficient amounts and at times necessary to satisfy the financial obligations of the District in each fiscal year until the bonds issued on the security of such special taxes (the "Bonds") are paid in full, the Facilities have been paid for, and provision has

been made for payment of all of the administrative costs of District. The special taxes may be subject to the same penalties and the same procedure, sale and lien priority in cases of delinquency as provided for ad valorem taxes as such procedure may be modified by law or this City Council from time to time.

Notwithstanding the foregoing, the City Manager may collect, or cause to be collected, one or more installments of the special taxes by means of direct billing by the District of the property owners within the District, if, in the judgment of the City Manager, such means of collection will reduce the administrative burden of the District in administering the District where it is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the property owners.

Whether the special taxes are levied in the manner provided in the first or the second preceding paragraph, the special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for ad valorem taxes. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments.

Section 6. As a cumulative remedy, if any amount levied as a special tax for payment of bond interest or principal of any Bonds of the District, together with any penalties and other charges accruing under this ordinance, are not paid when due, the Council may, not later than four (4) years after the due date of the last installment of principal of the Bonds, order that the same be collected by an action brought in the superior court to foreclose the lien of such special tax.

Section 7. This Ordinance relating to the levy of the special taxes within the District shall take effect immediately upon its final passage in accordance with the provisions of Section 36937(a) of the Government Code, and the specific authorization for adoption is pursuant to the provisions of Section 53340 of the Government Code.

Section 8. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Riverside a notice of special tax lien in the form required by the Act and Division 4.5 of the California Streets and Highways Code, said recording to occur no later than fifteen (15) days following final passage by the Council of this Ordinance, and to perform all other acts which are required by the Act, this Ordinance or by law in order to accomplish the purpose of this Ordinance.

Section 9. The Mayor shall sign this Ordinance and the City Clerk shall attest to the Mayor's signature and then cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

Section 10. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City as required by law.

ADOPTED, SIGNED and **APPROVED** this ____th day of _____, 2021.

Attest:

MAYOR OF THE CITY OF PERRIS

CITY CLERK OF THE CITY OF PERRIS

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Ordinance Number _____ was duly introduced for first reading by the City Council of the City of Perris at a regular meeting of said Council on the 30th day of March, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

and that it was adopted at a regular meeting of said Council on the ____th day of _____, 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

By: _____
City Clerk

EXHIBIT "A"

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR COMMUNITY FACILITIES DISTRICT NO. 2021-1
(AVION POINTE/ACACIA) OF THE CITY OF PERRIS**

[SEE ATTACHED]

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)

A Special Tax shall be levied on all Taxable Property within the boundaries of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris ("CFD No. 2021-1") and collected each Fiscal Year commencing in Fiscal Year 2021-22, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2021-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the 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 land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs related to the administration of CFD No. 2021-1 including, but not limited to: the costs of preparing and computing the Annual Special Tax (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2021-1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2021-1, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2021-1, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2021-1, or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2021-1 for any other administrative purposes of CFD No. 2021-1, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

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

"Assessor" means the Assessor of the County of Riverside.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

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

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

“Assigned Special Tax” means the Special Tax of that name described in Section 3.A below.

“Backup Special Tax” means the Special Tax of that name described in Section 3.B below.

“Bonds” means any bonds or other Debt of CFD No. 2021-1, whether in one or more series, secured by the levy of Special Taxes.

“Boundary Map” means the map of the boundaries of CFD No. 2021-1 recorded on March 17, 2021, in the Riverside County Recorder's Office in Book 86, Page 47-49, of Maps of Assessments and Community Facilities Districts (instrument number 2021-0170673).

“Building Permit” means a building permit for construction of a Residential Unit within CFD No. 2021-1 issued by the City.

“Building Square Footage” means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such Assessor's Parcel and/or by reference to appropriate records kept by the City.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

“CFD No. 2021-1” means the Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris.

“City” means the City of Perris, California.

“Council” means the City Council of the City acting as the legislative body of CFD No. 2021-1 under the Act.

“County” means the County of Riverside, California.

“Debt” means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, 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.

“Debt Service” means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

“Developed Property” means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1 of the previous Fiscal Year. An Assessor's Parcel classified as Developed Property but for which the Building Permit that caused such Assessor's Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as

Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor's Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

"Exempt Property" means for each Fiscal Year, all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section 8 below.

"Final Map" means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

"Fiscal Year" means the period starting on July 1 and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Land Use Class" means any of the classes listed in Table 1 under Section 3 below.

"Lot" means a parcel created by a Final Map on which a Residential Unit can be constructed.

"Maximum Special Tax" means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor's Parcel of Taxable Property.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for the purpose of constructing one or more non-residential units or facilities.

"Outstanding Bonds" means all Bonds, which are deemed to be outstanding under the Indenture.

"Prepayment Amount" means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel as described in Section 6.A below.

"Property Owner Association Property" means any Assessor's Parcel within the boundaries of CFD No. 2021-1 owned in fee by a property owner association, including any master or sub-association.

"Proportionately" or "Proportionate" means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. **"Proportionately"** may similarly be applied to other categories of Taxable Property as listed in Section 4 below.

"Provisional Property" means all Assessor's Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 8, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section 8.

“Public Property” means any property within the boundaries of CFD No. 2021-1, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

“Residential Unit” means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

“Special Tax” means any special tax levied within CFD No. 2021-1 pursuant to the Act and this Rate and Method of Apportionment of Special Tax.

“Special Tax Obligation” means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2021-1.

“Special Tax Requirement” means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Fees and Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

“State” means the State of California.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of CFD No. 2021-1, which are not exempt from the levy of the Special Tax pursuant to law or Section 8 below.

“Trustee” means the trustee or fiscal agent under the Indenture.

“Undeveloped Property” means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

“Zone” means, as the context requires, either Zone 1 or Zone 2.

“Zone 1” means all property located within the area identified as Zone 1 in the Boundary Map.

“Zone 2” means all property located within the area identified as Zone 2 in the Boundary Map.

2. LAND USE CLASSIFICATION

Each Fiscal Year, beginning with Fiscal Year 2021-22, each Assessor’s Parcel within CFD No. 2021-1 shall be assigned to Zone 1 or Zone 2 and classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of

Developed Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

3. SPECIAL TAX RATES

A. Assigned Special Tax for Developed Property

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property commencing in Fiscal Year 2021-22 shall be determined pursuant to Table 1 below.

**Table 1
Assigned Special Tax Rates**

Zone	Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax
1	1	Residential Property	> 2,400	\$2,064 per Residential Unit
1	2	Residential Property	2,201 – 2,400	\$1,997 per Residential Unit
1	3	Residential Property	≤ 2,200	\$1,930 per Residential Unit
2	1	Residential Property	> 2,400	\$2,446 per Residential Unit
2	2	Residential Property	2,201 – 2,400	\$2,371 per Residential Unit
2	3	Residential Property	≤ 2,200	\$2,295 per Residential Unit

Each July 1, commencing July 1, 2022, the Assigned Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

B. Backup Special Tax for Developed Property

The Backup Special Tax for Developed Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Backup Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

For the purpose of calculating the Backup Special Tax, the land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.

C. Maximum Special Tax for Developed Property

The Maximum Special Tax for Developed Property shall be the greater of the Assigned Special Tax for Developed Property and the Backup Special Tax for Developed Property.

D. Maximum Special Tax for Provisional Property and Undeveloped Property

The Maximum Special Tax for Provisional Property and Undeveloped Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Maximum Special Tax rates for Provisional Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

4. METHOD OF APPORTIONMENT

For each Fiscal Year, commencing Fiscal Year 2021-22, the CFD Administrator shall levy the Special Tax on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property in an amount up to 100% of the applicable Assigned Special Tax as necessary to satisfy the Special Tax Requirement;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax for Provisional Property;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within CFD No. 2021-1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

5. COLLECTION OF SPECIAL TAXES

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Tax, including

direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

6. PREPAYMENT OF SPECIAL TAX OBLIGATION

A. Prepayment in Full

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 6:

“CFD Public Facilities Costs” means \$3,400,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 2021-1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

“Construction Fund” means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 2021-1.

“Future Facilities Costs” means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

“Outstanding Bonds” means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment or the delinquent special taxes are paid off concurrently with the prepayment to the satisfaction of the CFD Administrator. An owner of an Assessor’s Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the CFD No. 2021-1 Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Future Facilities Prepayment Amount
plus Defeasance Amount
plus Prepayment Administrative Fees and Expenses
less Reserve Fund Credit
less Capitalized Interest Credit
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for CFD No. 2021-1 assuming all Building Permits have been issued (build-out) within CFD No. 2021-1, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels and round that amount up to the nearest \$5,000 increment (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date, but the redemption date may be any date determined by the CFD Administrator as

convenient and appropriate and permitted by the Indenture and does not have to be the next interest payment date.

9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").

11. Calculate the administrative fees and expenses of CFD No. 2021-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2021-1, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Administrative Fees").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement.

13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").

15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 2021-1.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 2021-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 2021-1 Bonds to be used with the next prepayment of CFD No. 2021-1 Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax 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 the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

B. Partial Prepayment

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 6.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section 6.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation

A = the Prepayment Administrative Fees and Expenses from Section 6.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 6.A., and (ii) indicate in the records of CFD No. 2021-1 that there has been a partial prepayment of the Special Tax Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on

Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

7. TERM OF SPECIAL TAX

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement for a period not to exceed forty (40) Fiscal Years commencing with Fiscal Year 2021-22, provided however that the Special Tax will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on CFD No. 2021-1 bonds have been paid.

8. EXEMPTIONS

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, and (v) Assessor's Parcels of Developed Property classified as Non-Residential Property as determined reasonably by the CFD Administrator, provided that no such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or less than 7.21 Acres in Zone 2. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or 7.21 Acres in Zone 2 shall be classified as Provisional Property and will continue to be subject to the CFD No. 2021-1 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property, for each Zone.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 8 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

9. APPEALS

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

(i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,

(ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or

(iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final.