

**RESOLUTION NUMBER 5689**

***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF THREE JOINT COMMUNITY FACILITIES AGREEMENTS IN CONNECTION WITH COMMUNITY FACILITIES DISTRICT 2018-2 (STRATFORD RANCH) OF VALVERDE UNIFIED SCHOOL DISTRICT.***

**WHEREAS**, Val Verde Unified School District (the “School District”) has undertaken proceedings pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting Sections 53311 et. seq. of the Government Code of the State of California) for the formation of Community Facilities District 2018-2 (Stratford Ranch) of the Val Verde Unified School District (“District”), including therein Improvement Area No. 1, Improvement Area No. 2 and Improvement Area No. 3 (each an “Improvement Area” and referred to together as “Improvement Areas”) and for the issuance of bonds by the District; and

**WHEREAS**, Stratford Ranch Investors, LLC (“Developer”) and the School District have requested that the District be able to finance certain fee facilities of the City with the proceeds of the special taxes and the bonds to be issued and in connection therewith to enter into three Joint Community Facilities Agreements (one for each of the three Improvement Areas) with the Developer and the District (collectively the “Joint Community Facilities Agreements”); and

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

**WHEREAS**, there is attached hereto as Exhibit A, the Joint Community Facilities Agreements for the Improvement Areas; and

**WHEREAS**, the City’s policies on community facilities districts formed by the City require that the special taxes do not escalate annually by 2% and the City has agreed to waive that requirement for this development per the request of the Developer and the School District; and

**WHEREAS**, the City has determined that it is necessary and desirable to enter into the Joint Community Facilities Agreements and the agreements would be beneficial to the residents of the City in assisting the facilitation of development;

**WHEREAS**, the District is expected to fund more school facilities that City facilities.

**NOW, THEREFORE**, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

**Section 1.** That the recitals set forth hereinabove are true and correct in all respects.

**Section 2.** That said forms of Joint Community Facilities Agreements presented at this meeting and attached hereto, be and are each hereby approved, with such changes as may be approved by the Mayor, City Manager, Assistant City Manager or Finance Director (each, an "Authorized Officer"), said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said Joint Community Facilities Agreements. The City Clerk or a duly authorized Deputy or Assistant City Clerk is hereby authorized to attest to said Authorized Officer's signature.

**ADOPTED, SIGNED and APPROVED** this 28<sup>th</sup> day of July, 2020.

\_\_\_\_\_  
Mayor, Michael M. Vargas

ATTEST:

\_\_\_\_\_  
City Clerk, Nancy Salazar

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

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number 5689 was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 28<sup>th</sup> day of July, 2020, by the following called vote:

AYES: CORONA, RABB, ROGERS, MAGAÑA, VARGAS  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

\_\_\_\_\_  
City Clerk, Nancy Salazar

Exhibit A

Joint Community Facilities Agreements

[See Attached]

## JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Val Verde Unified School District Community Facilities District No. 2018-2  
(Stratford Ranch) (Improvement Area No. 1)

by and among

Val Verde Unified School District, City of Perris and  
Stratford Ranch Investors, LLC

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the “**Agreement**”) is entered into effective as of the \_\_\_ day of \_\_\_\_\_, 2020, by and among VAL VERDE UNIFIED SCHOOL DISTRICT, a California School District (the “**School District**”), the CITY OF PERRIS, a California general law city (the “**City**”) and STRATFORD RANCH INVESTORS, LLC, a Delaware limited liability company (the “**Property Owner**”). This Agreement relates to Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) and Improvement Area No. 1 of the three improvement areas within the CFD, for the purpose of financing certain public facilities to be constructed, owned, operated or maintained by the City from the proceeds of bonds issued by the CFD with respect to Improvement Area No. 1.

### RECITALS:

A. The property depicted in Exhibit A and described in Exhibit B hereto (the “**Property**”), which is located in the City of Perris, County of Riverside, State of California, and constitutes the land within the boundaries of Improvement Area No. 1 of the CFD.

B. Property Owner owns the Property to be included in the CFD and intends to develop the Property for residential purposes.

C. Property Owner petitioned the School District to form the CFD and three improvement areas therein for the purpose of financing, among other things, certain public facilities to be constructed, owned and operated by the City (the “**City Fee Facilities**”) in lieu of the payment of City Fees (defined below).

D. Property Owner has yet to determine whether it will finance any or all of the City Fee Facilities, in lieu of payment of City Fees, with Bond Proceeds (defined below) that are available for such purpose. The Parties (defined below) hereto acknowledge that the purpose of this Agreement is to satisfy the requirements of the Act (defined below).

E. In conjunction with the issuance of building permits for the construction of homes within the Property and/or receipt of final inspections or occupancy certificates for such homes, Property Owner, or its successors or assigns, may elect to advance City Fee Facilities costs in lieu of payment of City Fees (the “**Advance(s)**”) at such times as Bond Proceeds are not available in a sufficient amount to pay for City Fee Facilities. In such case, Property Owner shall be entitled to (i) reimbursement of such Advances limited to Bond Proceeds available to the City, if any (the Advances being considered an interest free loan by the Property Owner as further described in Section 5(a) below) and (ii) credit for payments made to the City from Bond Proceeds against City Fees which would

otherwise be due to the City with respect to the Property in Improvement Area No. 1 for which such transfer was made equal to the amount of Bond Proceeds disbursed to the City or at the direction of the City for City Fee Facilities, all as further described herein.

F. In addition to the City Fee Facilities, certain facilities to be owned and operated by the School District (the “**School Facilities**”) and certain facilities to be owned and operated by Eastern Municipal Water District (the “**EMWD**”) are also expected to be funded from Bond Proceeds.

G. The School District will have sole discretion and responsibility for the administration of the CFD.

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

I. The Parties hereto find and determine that the residents residing within the boundaries of the City, the School District, and the CFD will be benefited by the construction and/or acquisition of the School Facilities and City Fee 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) “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.
  - (b) “Advance” or “Advances” means an amount advanced by Property Owner to the City for City Fee Facilities in lieu of payment of City Fees prior to the availability of sufficient Bond Proceeds.
  - (c) “Bond Proceeds” shall mean those net funds generated by the sale of Bonds secured by the Special Taxes, net of costs of issuance, reserve fund, capitalized interest and administrative expenses.
  - (d) “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.

(e) “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 Improvement Area No. 1 of the CFD.

(f) “City Fees” means fees for those capital improvements authorized to be financed with City development impact fees (“DIF”), and all components thereof, imposed by the City as a consequence of development of any portion of the Property to finance City Fee Facilities; as further described in Exhibit C hereto.

(g) “City Fee Facilities” means those City capital improvements eligible to be financed with City Fees.

(h) “Disbursement Request” means a request for payment relating to City Fee Facilities in the form attached hereto as Exhibit “D.”

(i) “Improvement Area No. 1” means the area designated as Improvement Area No. 1 on the boundary map of the CFD.

(j) “Other Facilities Account of the Improvement Fund” means the fund, account or sub-account of the CFD (regardless of its actual designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance City Fee Facilities and which may have subaccounts.

(k) “Party” or “Parties” shall mean any or all of the parties to this Agreement.

(l) “Rate and Method” means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes within Improvement Area No. 1 pursuant to proceedings undertaken for the formation of the CFD and Improvement Area No. 1 pursuant to the Act.

(m) “School Facilities” means those public improvements to be owned, operated, or maintained by the School District identified in proceedings to form the CFD that are eligible to be financed with Bond Proceeds.

(n) “Special Taxes” means the special taxes authorized to be levied and collected within Improvement Area No. 1 pursuant to the Rate and Method.

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

3. Formation of the CFD and Improvement Area No. 1. The School District has undertaken to analyze the appropriateness of forming the CFD and Improvement Area No. 1 to finance the City Fee Facilities and other facilities. The School District has retained, at the expense of Property Owner, the necessary consultants to analyze the formation of the CFD.

4. Sale of Bonds and Use of Bond Proceeds. The Board of Education of the School District acting as the legislative body of the CFD may, in its sole discretion, finance City Fee Facilities by issuing one or more series of Bonds. To the extent that the CFD and Property Owner determine that Bond Proceeds are available to finance City Fee Facilities, School District shall notify the City of the amount of such Bond Proceeds deposited in the Other Facilities Account of the Improvement Fund that is available for such purpose. It is currently anticipated that sufficient Bond Proceeds will be

available to fund City Fee Facilities in an amount equal to the aggregate total of the applicable City Fees for dwelling units within Improvement Area No. 1 of the CFD. As Bond Proceeds are transferred to the City as described in Section 5 below, the portion of the Property with respect to which such transfer was made shall receive a credit in the amount transferred against the payment of City Fees. Nothing herein shall supersede the obligation of Property Owner to make Advances or otherwise pay City Fees to the City when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds to provide a source of funds to finance all or a portion of the City Fee Facilities in lieu of the payment of all or a portion of the City Fees. In the event that Bond Proceeds are not available or sufficient to fully satisfy the obligation, then the Property Owner shall remain obligated to make Advances for which it will receive no reimbursement (except to the extent Bond Proceeds later become available to the City) or pay City Fees to the City as required by the City in accordance with applicable law.

The Bonds shall be issued only if, in its sole discretion, the Board of Education of the School District determines that all requirements of State and federal law and all School District policies have been satisfied or have been waived by the School District. Nothing in this Agreement shall confer upon the City 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 City Fee Facilities except in accordance with the terms of this Agreement.

5. Disbursements for City Facilities.

(a) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund City Fee Facilities, the Property Owner shall notify the City of the amount of Bond Proceeds reserved to fund City Fee Facilities and the Property Owner and the City may execute and submit a Disbursement Request to the School District or the CFD requesting disbursement of an amount equal to all or a portion of the 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 the City's receipt of funds pursuant to such Disbursement Request, the Property Owner shall receive reimbursement of the Advances from the City. To facilitate the City's bookkeeping, the City may direct in a Disbursement Request, that all or a portion of a payment be made directly 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, the City 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 the City 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 considered an interest free loan by the Property Owner, which the City agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund and the City'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, Property Owner may notify the City in writing and the City and Property Owner may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund City Fee 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 the City (or upon the City's written direction, pay to the Property Owner or a City contractor) such requested funds to the extent that Bond Proceeds are then available, or subsequently become available, in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and the City's receipt of such disbursement (or upon payment to the Property Owner or a City contractor in accordance with directions from the City relating to City Fee Facilities), relating to City Fee Facilities, the Property Owner shall be deemed to have satisfied the portion of the applicable City Fees with respect to the number of dwelling units or lots within Improvement Area No. 1 for which City Fees would otherwise have been required in an amount equal to the amount of such disbursement divided by the per lot or unit amount of the applicable City Fees.

(c) The City 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 contractually or incurred such costs of City Fee 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 the City Fee Facilities following receipt of funds from the CFD. For City Fee Facilities to be constructed, in the event that the City 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 the City, from the date of receipt of such Bond Proceeds by the City (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 the City for capital costs of the City Fee Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by the City. The City 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) Subject to Section 5(e) below, the City agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. The City will, upon request, provide the School District and/or Property Owner with access to the City's records related to the City Fee Facilities and expenditure of Advances and will provide to the School District its annual financial report certified by an independent certified public accountant for purposes of assisting the School District in calculating the arbitrage rebate obligation of the CFD, if any.

(e) At the City's discretion, the City may elect to satisfy the tracing and accounting of Bond Proceeds requirements set forth in Section 5 of this Agreement by selecting and depositing unexpended Bond Proceeds with a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept, hold, trace and account for deposits of money (the "**Deposit Institution**"). Property Owner shall pay for all costs and expenses associated with such Deposit Institution and shall pay said costs and expenses as provided in the written direction of the City.

(f) The School District 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 School District or the CFD will, upon request, provide the City and/or Property Owner with access to the School District's or the CFD's records related to the Other Facilities Account of the Improvement Fund.



(g) As a condition to receiving proceeds of Bond Proceeds, the City agrees that it shall provide to the School District a certificate substantially in the form attached hereto as Exhibit E.

6. Ownership of City Fee Facilities. The City Fee Facilities shall be and remain the property of the City.

7. Indemnification.

(a) *Indemnification by the School District.* The School District shall assume the defense of, indemnify and save harmless, the City and its 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 the School District with respect to this Agreement and the issuance of the Bonds; provided, however, that the School District 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 School District, the CFD, and the City, 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 willful misconduct of such person or entity or their officers, agents, or employees.

(c) *Indemnification by the City.* The City shall assume the defense of, indemnify and save harmless, the School District, 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 the City with respect to this Agreement, and the design, engineering, and construction of the City Fee Facilities constructed by the City; 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. In addition to the obligations set forth in Section 7(b) above, Property Owner shall indemnify the City, 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 as a result of the City indemnifying the School District and/or the CFD under this Section 7(c).

8. Allocation of Special Taxes. The Board of Education of the School District, as the legislative body of the CFD, shall annually levy the Special Tax as provided for in the formation proceedings of the CFD. The entire amount of any Special Tax levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD.

9. 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 Property Owner to the purchaser of any parcel of land within the Property provided, however, such assignment shall not be effective unless and until the City and the School District 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 and whether the Property Owner or such assignee is to be reimbursed for Advances which have not been reimbursed at the time of such notice.

10. 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.

11. Notices. Any notice, payment, or instrument required or permitted by this Agreement to be given or delivered to either Party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

School District: Val Verde Unified School District  
975 West Morgan Street  
Perris, CA 92571  
Attn: Assistant Superintendent, Business Services

City: City of Perris  
101 N. D Street  
Perris, CA 92570  
Attn: City Clerk

Property Owner: Stratford Ranch Investors, LLC  
c/o Mission Pacific Land Company  
4100 Newport Place, Suite 480  
Newport Beach, CA 92660  
Attn: Mark V. Rael

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

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

13. Attorneys' 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 attorneys' fees.

14. 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.

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

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

17. 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.

18. 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 the City, the School District, 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.

19. 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.

20. 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.

*[Signature Page Follows]*

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

**VAL VERDE UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Secretary to the Board

**CITY OF PERRIS**

By: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

**PROPERTY OWNER**

STRATFORD RANCH INVESTORS, LLC,  
a Delaware limited liability company

By: **ESA Stratford Partners, L.P.**,  
a California limited partnership,  
Its: Managing Member

By: **ESA Partners, LLC**,  
a Delaware limited liability company,  
Its: General Partner

By: **Entrepreneurial Properties Corporation**, a Nevada corporation  
Its: Member

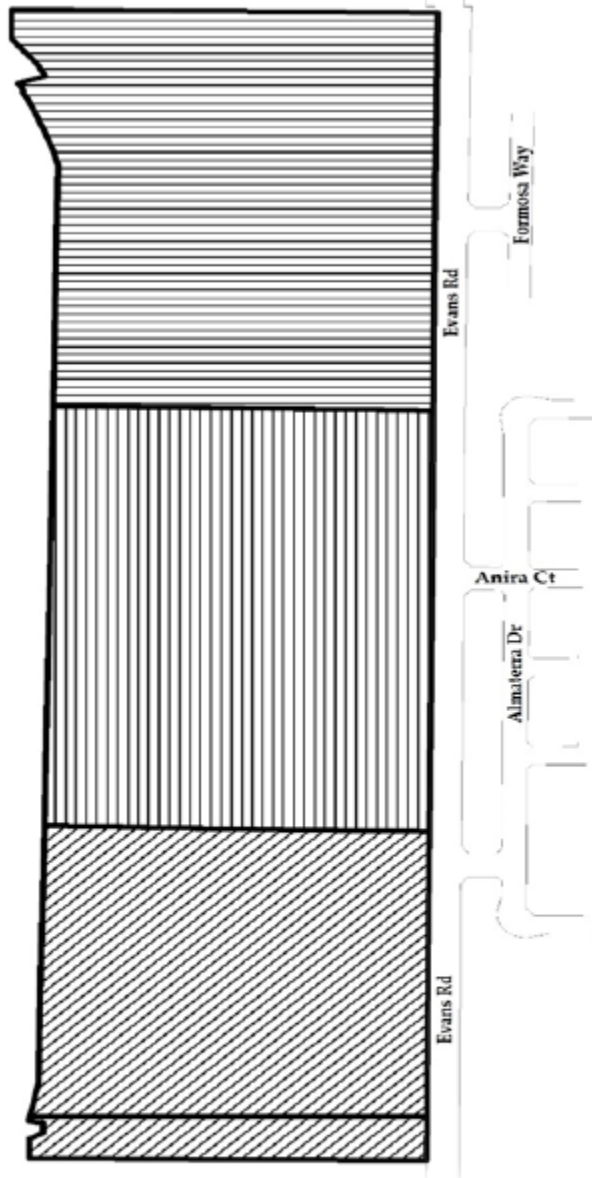
By: \_\_\_\_\_  
Randall C. Luce  
Executive Vice President

By: \_\_\_\_\_  
John K. Abel  
Its: Member




**EXHIBIT "A"**

**VAL VERDE UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2018-2 (STRATFORD RANCH)  
(IMPROVEMENT AREA NO. 1)**

**DEPICTION OF PROPERTY**



**LEGEND**

	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 1
	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 2
	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 3

**EXHIBIT B**

**DESCRIPTION OF PROPERTY**

Real property in the City of Perris, County of Riverside, State of California, described as follows:

Riverside County Assessor Parcel Numbers

302-150-046

302-160-044

## **EXHIBIT C**

### **CITY FEE FACILITIES**

The type of City Fee Facilities eligible to be financed by the CFD under the Act are the capital improvements authorized to be financed with City development impact fees (“**DIF**”) (which does not include any regional impact fees (i.e. Western Riverside Council of Governments Transportation Uniform Mitigation Fee). The amount of the City Fee Facilities will be based on the applicable fee schedule, which is subject to change.

Sequence No. \_\_\_\_\_  
City SA# \_\_\_\_\_

**EXHIBIT D**

**DISBURSEMENT REQUEST FORM**  
(City Fee Facilities)  
Improvement Area No. 1

1. Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) is hereby requested to pay from Bond Proceeds relating to Improvement Area No. 1 to the City of Perris (the “**City**”), as Payee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for City Fee Facilities is due and payable, has not formed the basis of prior request or payment, and is being made with respect to the Joint Community Facilities Agreement by and among Val Verde Unified School District, City of Perris, and Stratford Ranch Investors, LLC, dated as of \_\_\_\_\_, 2020 (the “**JCFA**”) relating to Improvement Area No. 1.

3. Amount requested: \$ \_\_\_\_\_

For Tract / Lot Nos: \_\_\_\_\_ within Improvement Area No. 1

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the JCFA. Capitalized terms not defined herein shall have the meaning set forth in the JCFA.

*[Remainder of Page Intentionally Left Blank]*



**PROPERTY OWNER**  
STRATFORD RANCH INVESTORS, LLC,  
a Delaware limited liability company

By: **ESA Stratford Partners, L.P.**,  
a California limited partnership,  
Its: Managing Member

By: **ESA Partners, LLC**,  
a Delaware limited liability company,  
Its: General Partner

By: **Entrepreneurial Properties Corporation**, a Nevada corporation  
Its: Member

By: \_\_\_\_\_  
Randall C. Luce  
Executive Vice President

By: \_\_\_\_\_  
John K. Abel  
Its: Member

CITY OF PERRIS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of the City

cc: City Finance Dept.

**EXHIBIT E**

\$ \_\_\_\_\_  
**VAL VERDE UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2018-2 (STRATFORD RANCH)  
(IMPROVEMENT AREA NO. 1)  
20\_\_ SPECIAL TAX BONDS**

**CERTIFICATE OF THE CITY OF PERRIS**

WHEREAS, Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) is issuing the above-captioned bonds (the “**Bonds**”) for the purpose of financing certain infrastructure capital improvements, including the capital expenditures of facilities owned by the City of Perris (the “**City**”);

WHEREAS, the CFD will make available to the City \$ \_\_\_\_\_ of Bond proceeds (the “**Proceeds**”);

WHEREAS, the City has read and understands the restrictions of the Tax Certificate (the “**Tax Certificate**”) of the CFD, dated \_\_\_\_\_, 20\_\_, with respect to the Bonds;

NOW, THEREFORE, the City covenants the following:

1. The City will expend the Proceeds on capital costs (the “**Costs**”) paid to third parties for City improvements or equipment (the “**City Project**”).
2. The City will maintain records regarding the investment and expenditure of the Proceeds and the usage of the City Project.
3. The City will cooperate with the CFD regarding compliance with the terms of the Tax Certificate, including remitting any rebatable arbitrage on the Proceeds, if any, to the CFD to comply with the restrictions of Section 148(f) of the Code.
4. None of the City will be subject to Private Use (as defined in the Tax Certificate) absent consent of the CFD.

All terms not defined herein have the meaning ascribed in the attached Tax Certificate.

Dated: \_\_\_\_\_, 20\_\_

CITY OF PERRIS

By: \_\_\_\_\_  
[Name]  
[Title]

## JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Val Verde Unified School District Community Facilities District No. 2018-2  
(Stratford Ranch) (Improvement Area No. 2)

by and among

Val Verde Unified School District, City of Perris and  
Stratford Ranch Investors, LLC

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the “**Agreement**”) is entered into effective as of the \_\_\_ day of \_\_\_\_\_, 2020, by and among VAL VERDE UNIFIED SCHOOL DISTRICT, a California School District (the “**School District**”), the CITY OF PERRIS, a California general law city (the “**City**”) and STRATFORD RANCH INVESTORS, LLC, a Delaware limited liability company (the “**Property Owner**”). This Agreement relates to Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) and Improvement Area No. 2 of the three improvement areas within the CFD, for the purpose of financing certain public facilities to be constructed, owned, operated or maintained by the City from the proceeds of bonds issued by the CFD with respect to Improvement Area No. 2.

### RECITALS:

A. The property depicted in Exhibit A and described in Exhibit B hereto (the “**Property**”), which is located in the City of Perris, County of Riverside, State of California, and constitutes the land within the boundaries of Improvement Area No. 2 of the CFD.

B. Property Owner owns the Property to be included in the CFD and intends to develop the Property for residential purposes.

C. Property Owner petitioned the School District to form the CFD and three improvement areas therein for the purpose of financing, among other things, certain public facilities to be constructed, owned and operated by the City (the “**City Fee Facilities**”) in lieu of the payment of City Fees (defined below).

D. Property Owner has yet to determine whether it will finance any or all of the City Fee Facilities, in lieu of payment of City Fees, with Bond Proceeds (defined below) that are available for such purpose. The Parties (defined below) hereto acknowledge that the purpose of this Agreement is to satisfy the requirements of the Act (defined below).

E. In conjunction with the issuance of building permits for the construction of homes within the Property and/or receipt of final inspections or occupancy certificates for such homes, Property Owner, or its successors or assigns, may elect to advance City Fee Facilities costs in lieu of payment of City Fees (the “**Advance(s)**”) at such times as Bond Proceeds are not available in a sufficient amount to pay for City Fee Facilities. In such case, Property Owner shall be entitled to (i) reimbursement of such Advances limited to Bond Proceeds available to the City, if any (the Advances being considered an interest free loan by the Property Owner as further described in Section 5(a) below) and (ii) credit for payments made to the City from Bond Proceeds against City Fees which would

otherwise be due to the City with respect to the Property in Improvement Area No. 2 for which such transfer was made equal to the amount of Bond Proceeds disbursed to the City or at the direction of the City for City Fee Facilities, all as further described herein.

F. In addition to the City Fee Facilities, certain facilities to be owned and operated by the School District (the “**School Facilities**”) and certain facilities to be owned and operated by Eastern Municipal Water District (the “**EMWD**”) are also expected to be funded from Bond Proceeds.

G. The School District will have sole discretion and responsibility for the administration of the CFD.

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

I. The Parties hereto find and determine that the residents residing within the boundaries of the City, the School District, and the CFD will be benefited by the construction and/or acquisition of the School Facilities and City Fee 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) “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.
  - (b) “Advance” or “Advances” means an amount advanced by Property Owner to the City for City Fee Facilities in lieu of payment of City Fees prior to the availability of sufficient Bond Proceeds.
  - (c) “Bond Proceeds” shall mean those net funds generated by the sale of Bonds secured by the Special Taxes, net of costs of issuance, reserve fund, capitalized interest and administrative expenses.
  - (d) “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.

(e) “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 Improvement Area No. 2 of the CFD.

(f) “City Fees” means fees for those capital improvements authorized to be financed with City development impact fees (“DIF”), and all components thereof, imposed by the City as a consequence of development of any portion of the Property to finance City Fee Facilities; as further described in Exhibit C hereto.

(g) “City Fee Facilities” means those City capital improvements eligible to be financed with City Fees.

(h) “Disbursement Request” means a request for payment relating to City Fee Facilities in the form attached hereto as Exhibit D.

(i) “Improvement Area No. 2” means the area designated as Improvement Area No. 2 on the boundary map of the CFD.

(j) “Other Facilities Account of the Improvement Fund” means the fund, account or sub-account of the CFD (regardless of its actual designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance City Fee Facilities and which may have subaccounts.

(k) “Party” or “Parties” shall mean any or all of the parties to this Agreement.

(l) “Rate and Method” means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes within Improvement Area No. 2 pursuant to proceedings undertaken for the formation of the CFD and Improvement Area No. 2 pursuant to the Act.

(m) “School Facilities” means those public improvements to be owned, operated, or maintained by the School District identified in proceedings to form the CFD that are eligible to be financed with Bond Proceeds.

(n) “Special Taxes” means the special taxes authorized to be levied and collected within Improvement Area No. 2 pursuant to the Rate and Method.

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

3. Formation of the CFD and Improvement Area No. 2. The School District has undertaken to analyze the appropriateness of forming the CFD and Improvement Area No. 2 to finance the City Fee Facilities and other facilities. The School District has retained, at the expense of Property Owner, the necessary consultants to analyze the formation of the CFD.

4. Sale of Bonds and Use of Bond Proceeds. The Board of Education of the School District acting as the legislative body of the CFD may, in its sole discretion, finance City Fee Facilities by issuing one or more series of Bonds. To the extent that the CFD and Property Owner determine that Bond Proceeds are available to finance City Fee Facilities, School District shall notify the City of the amount of such Bond Proceeds deposited in the Other Facilities Account of the Improvement Fund that is available for such purpose. It is currently anticipated that sufficient Bond Proceeds will be

available to fund City Fee Facilities in an amount equal to the aggregate total of the applicable City Fees for dwelling units within Improvement Area No. 2 of the CFD. As Bond Proceeds are transferred to the City as described in Section 5 below, the portion of the Property with respect to which such transfer was made shall receive a credit in the amount transferred against the payment of City Fees. Nothing herein shall supersede the obligation of Property Owner to make Advances or otherwise pay City Fees to the City when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds to provide a source of funds to finance all or a portion of the City Fee Facilities in lieu of the payment of all or a portion of the City Fees. In the event that Bond Proceeds are not available or sufficient to fully satisfy the obligation, then the Property Owner shall remain obligated to make Advances for which it will receive no reimbursement (except to the extent Bond Proceeds later become available to the City) or pay City Fees to the City as required by the City in accordance with applicable law.

The Bonds shall be issued only if, in its sole discretion, the Board of Education of the School District determines that all requirements of State and federal law and all School District policies have been satisfied or have been waived by the School District. Nothing in this Agreement shall confer upon the City 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 City Fee Facilities except in accordance with the terms of this Agreement.

5. Disbursements for City Facilities.

(a) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund City Fee Facilities, the Property Owner shall notify the City of the amount of Bond Proceeds reserved to fund City Fee Facilities and the Property Owner and the City may execute and submit a Disbursement Request to the School District or the CFD requesting disbursement of an amount equal to all or a portion of the 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 the City's receipt of funds pursuant to such Disbursement Request, the Property Owner shall receive reimbursement of the Advances from the City. To facilitate the City's bookkeeping, the City may direct in a Disbursement Request, that all or a portion of a payment be made directly 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, the City 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 the City 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 considered an interest free loan by the Property Owner, which the City agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund and the City'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, Property Owner may notify the City in writing and the City and Property Owner may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund City Fee 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 the City (or upon the City's written direction, pay to the Property Owner or a City contractor) such requested funds to the extent that Bond Proceeds are then available, or subsequently become available, in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and the City's receipt of such disbursement (or upon payment to the Property Owner or a City contractor in accordance with directions from the City relating to City Fee Facilities), relating to City Fee Facilities, the Property Owner shall be deemed to have satisfied the portion of the applicable City Fees with respect to the number of dwelling units or lots within Improvement Area No. 2 for which City Fees would otherwise have been required in an amount equal to the amount of such disbursement divided by the per lot or unit amount of the applicable City Fees.

(c) The City 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 contractually or incurred such costs of City Fee 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 the City Fee Facilities following receipt of funds from the CFD. For City Fee Facilities to be constructed, in the event that the City 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 the City, from the date of receipt of such Bond Proceeds by the City (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 the City for capital costs of the City Fee Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by the City. The City 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) Subject to Section 5(e) below, the City agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. The City will, upon request, provide the School District and/or Property Owner with access to the City's records related to the City Fee Facilities and expenditure of Advances and will provide to the School District its annual financial report certified by an independent certified public accountant for purposes of assisting the School District in calculating the arbitrage rebate obligation of the CFD, if any.

(e) At the City's discretion, the City may elect to satisfy the tracing and accounting of Bond Proceeds requirements set forth in Section 5 of this Agreement by selecting and depositing unexpended Bond Proceeds with a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept, hold, trace and account for deposits of money (the "**Deposit Institution**"). Property Owner shall pay for all costs and expenses associated with such Deposit Institution and shall pay said costs and expenses as provided in the written direction of the City.

(f) The School District 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 School District or the CFD will, upon request, provide the City and/or Property Owner with access to the School District's or the CFD's records related to the Other Facilities Account of the Improvement Fund.

(g) As a condition to receiving proceeds of Bond Proceeds, the City agrees that it shall provide to the School District a certificate substantially in the form attached hereto as Exhibit E.

6. Ownership of City Fee Facilities. The City Fee Facilities shall be and remain the property of the City.

7. Indemnification.

(a) *Indemnification by the School District.* The School District shall assume the defense of, indemnify and save harmless, the City and its 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 the School District with respect to this Agreement and the issuance of the Bonds; provided, however, that the School District 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 School District, the CFD, and the City, 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 willful misconduct of such person or entity or their officers, agents, or employees.

(c) *Indemnification by the City.* The City shall assume the defense of, indemnify and save harmless, the School District, 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 the City with respect to this Agreement, and the design, engineering, and construction of the City Fee Facilities constructed by the City; 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. In addition to the obligations set forth in Section 7(b) above, Property Owner shall indemnify the City, 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 as a result of the City indemnifying the School District and/or the CFD under this Section 7(c).

8. Allocation of Special Taxes. The Board of Education of the School District, as the legislative body of the CFD, shall annually levy the Special Tax as provided for in the formation proceedings of the CFD. The entire amount of any Special Tax levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD.

9. 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 Property Owner to the purchaser of any parcel of land within the Property provided, however, such assignment shall not be effective unless and until the City and the School District 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 and whether the Property Owner or such assignee is to be reimbursed for Advances which have not been reimbursed at the time of such notice.

10. 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.

11. Notices. Any notice, payment, or instrument required or permitted by this Agreement to be given or delivered to either Party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

School District: Val Verde Unified School District  
975 West Morgan Street  
Perris, CA 92571  
Attn: Assistant Superintendent, Business Services

City: City of Perris  
101 N. D Street  
Perris, CA 92570  
Attn: City Clerk

Property Owner: Stratford Ranch Investors, LLC  
c/o Mission Pacific Land Company  
4100 Newport Place, Suite 480  
Newport Beach, CA 92660  
Attn: Mark V. Rael

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

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

13. Attorneys' 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 attorneys' fees.

14. 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.

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

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

17. 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.

18. 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 the City, the School District, 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.

19. 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.

20. 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.

*[Signature Page Follows]*

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

**VAL VERDE UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Secretary to the Board

**CITY OF PERRIS**

By: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

**PROPERTY OWNER**

STRATFORD RANCH INVESTORS, LLC,  
a Delaware limited liability company

By: **ESA Stratford Partners, L.P.**,  
a California limited partnership,  
Its: Managing Member

By: **ESA Partners, LLC**,  
a Delaware limited liability company,  
Its: General Partner

By: **Entrepreneurial Properties Corporation**, a Nevada corporation  
Its: Member

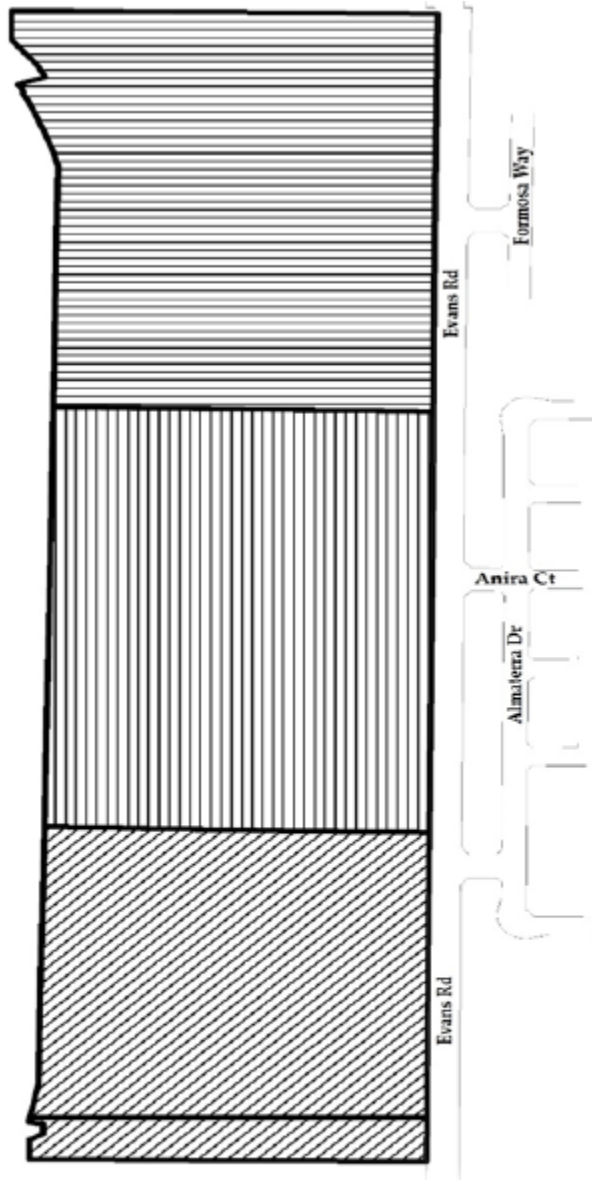
By: \_\_\_\_\_  
Randall C. Luce  
Executive Vice President

By: \_\_\_\_\_  
John K. Abel  
Its: Member




**EXHIBIT A**

**VAL VERDE UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2018-2 (STRATFORD RANCH)  
(IMPROVEMENT AREA NO. 2)**

**DEPICTION OF PROPERTY**



**LEGEND**

	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 1
	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 2
	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 3



**EXHIBIT B**

**DESCRIPTION OF PROPERTY**

Real property in the City of Perris, County of Riverside, State of California, described as follows:

Riverside County Assessor Parcel Numbers

302-160-043

302-170-024

## EXHIBIT C

### **CITY FEE FACILITIES**

The type of City Fee Facilities eligible to be financed by the CFD under the Act are the capital improvements authorized to be financed with City development impact fees (“**DIF**”) (which does not include any regional impact fees (i.e. Western Riverside Council of Governments Transportation Uniform Mitigation Fee). The amount of the City Fee Facilities will be based on the applicable fee schedule, which is subject to change.



Sequence No. \_\_\_\_\_  
City SA# \_\_\_\_\_

**EXHIBIT D**

**DISBURSEMENT REQUEST FORM**  
(City Fee Facilities)  
Improvement Area No. 2

1. Val Verde Unified School District Community Facilities District No. 2018-2 (the “**CFD**”) is hereby requested to pay from Bond Proceeds relating to Improvement Area No. 2 to the City of Perris (the “**City**”), as Payee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for City Fee Facilities is due and payable, has not formed the basis of prior request or payment, and is being made with respect to the Joint Community Facilities Agreement by and among Val Verde Unified School District, City of Perris, and Stratford Ranch Investors, LLC, dated as of \_\_\_\_\_, 2020 (the “**JCFA**”) relating to Improvement Area No. 2.

3. Amount requested: \$ \_\_\_\_\_

For Tract / Lot Nos: \_\_\_\_\_ within Improvement Area No. 2

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the JCFA. Capitalized terms not defined herein shall have the meaning set forth in the JCFA.

*[Remainder of Page Intentionally Left Blank]*

**PROPERTY OWNER**  
STRATFORD RANCH INVESTORS, LLC,  
a Delaware limited liability company

By: **ESA Stratford Partners, L.P.**,  
a California limited partnership,  
Its: Managing Member

By: **ESA Partners, LLC**,  
a Delaware limited liability company,  
Its: General Partner

By: **Entrepreneurial Properties Corporation**, a Nevada corporation  
Its: Member

By: \_\_\_\_\_  
Randall C. Luce  
Executive Vice President

By: \_\_\_\_\_  
John K. Abel  
Its: Member

CITY OF PERRIS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of the City

cc: City Finance Dept.

**EXHIBIT E**

\$ \_\_\_\_\_  
**VAL VERDE UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2018-2 (STRATFORD RANCH)  
(IMPROVEMENT AREA NO. 2)  
20\_\_ SPECIAL TAX BONDS**

**CERTIFICATE OF THE CITY OF PERRIS**

WHEREAS, Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) is issuing the above-captioned bonds (the “**Bonds**”) for the purpose of financing certain infrastructure capital improvements, including the capital expenditures of facilities owned by the City of Perris (the “**City**”);

WHEREAS, the CFD will make available to the City \$ \_\_\_\_\_ of Bond proceeds (the “**Proceeds**”);

WHEREAS, the City has read and understands the restrictions of the Tax Certificate (the “**Tax Certificate**”) of the CFD, dated \_\_\_\_\_, 20\_\_, with respect to the Bonds;

NOW, THEREFORE, the City covenants the following:

1. The City will expend the Proceeds on capital costs (the “**Costs**”) paid to third parties for City improvements or equipment (the “**City Project**”).
2. The City will maintain records regarding the investment and expenditure of the Proceeds and the usage of the City Project.
3. The City will cooperate with the CFD regarding compliance with the terms of the Tax Certificate, including remitting any rebatable arbitrage on the Proceeds, if any, to the CFD to comply with the restrictions of Section 148(f) of the Code.
4. None of the City will be subject to Private Use (as defined in the Tax Certificate) absent consent of the CFD.

All terms not defined herein have the meaning ascribed in the attached Tax Certificate.

Dated: \_\_\_\_\_, 20\_\_

CITY OF PERRIS

By: \_\_\_\_\_  
[Name]  
[Title]

## JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Val Verde Unified School District Community Facilities District No. 2018-2  
(Stratford Ranch) (Improvement Area No. 3)

by and among

Val Verde Unified School District, City of Perris and  
Stratford Ranch Investors, LLC

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the “**Agreement**”) is entered into effective as of the \_\_\_ day of \_\_\_\_\_, 2020, by and among VAL VERDE UNIFIED SCHOOL DISTRICT, a California School District (the “**School District**”), the CITY OF PERRIS, a California general law city (the “**City**”) and STRATFORD RANCH INVESTORS, LLC, a Delaware limited liability company (the “**Property Owner**”). This Agreement relates to Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) and Improvement Area No. 3 of the three improvement areas within the CFD, for the purpose of financing certain public facilities to be constructed, owned, operated or maintained by the City from the proceeds of bonds issued by the CFD with respect to Improvement Area No. 3.

### RECITALS:

A. The property depicted in Exhibit A and described in Exhibit B hereto (the “**Property**”), which is located in the City of Perris, County of Riverside, State of California, and constitutes the land within the boundaries of Improvement Area No. 3 of the CFD.

B. Property Owner owns the Property to be included in the CFD and intends to develop the Property for residential purposes.

C. Property Owner petitioned the School District to form the CFD and three improvement areas therein for the purpose of financing, among other things, certain public facilities to be constructed, owned and operated by the City (the “**City Fee Facilities**”) in lieu of the payment of City Fees (defined below).

D. Property Owner has yet to determine whether it will finance any or all of the City Fee Facilities, in lieu of payment of City Fees, with Bond Proceeds (defined below) that are available for such purpose. The Parties (defined below) hereto acknowledge that the purpose of this Agreement is to satisfy the requirements of the Act (defined below).

E. In conjunction with the issuance of building permits for the construction of homes within the Property and/or receipt of final inspections or occupancy certificates for such homes, Property Owner, or its successors or assigns, may elect to advance City Fee Facilities costs in lieu of payment of City Fees (the “**Advance(s)**”) at such times as Bond Proceeds are not available in a sufficient amount to pay for City Fee Facilities. In such case, Property Owner shall be entitled to (i) reimbursement of such Advances limited to Bond Proceeds available to the City, if any (the Advances being considered an interest free loan by the Property Owner as further described in Section 5(a) below) and (ii) credit for payments made to the City from Bond Proceeds against City Fees which would

otherwise be due to the City with respect to the Property in Improvement Area No. 3 for which such transfer was made equal to the amount of Bond Proceeds disbursed to the City or at the direction of the City for City Fee Facilities, all as further described herein.

F. In addition to the City Fee Facilities, certain facilities to be owned and operated by the School District (the “**School Facilities**”) and certain facilities to be owned and operated by Eastern Municipal Water District (the “**EMWD**”) are also expected to be funded from Bond Proceeds.

G. The School District will have sole discretion and responsibility for the administration of the CFD.

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

I. The Parties hereto find and determine that the residents residing within the boundaries of the City, the School District, and the CFD will be benefited by the construction and/or acquisition of the School Facilities and City Fee 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) “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.
  - (b) “Advance” or “Advances” means an amount advanced by Property Owner to the City for City Fee Facilities in lieu of payment of City Fees prior to the availability of sufficient Bond Proceeds.
  - (c) “Bond Proceeds” shall mean those net funds generated by the sale of Bonds secured by the Special Taxes, net of costs of issuance, reserve fund, capitalized interest and administrative expenses.
  - (d) “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.

(e) “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 Improvement Area No. 3 of the CFD.

(f) “City Fees” means fees for those capital improvements authorized to be financed with City development impact fees (“DIF”), and all components thereof, imposed by the City as a consequence of development of any portion of the Property to finance City Fee Facilities; as further described in Exhibit C hereto.

(g) “City Fee Facilities” means those City capital improvements eligible to be financed with City Fees.

(h) “Disbursement Request” means a request for payment relating to City Fee Facilities in the form attached hereto as Exhibit “D.”

(i) “Improvement Area No. 3” means the area designated as Improvement Area No. 3 on the boundary map of the CFD.

(j) “Other Facilities Account of the Improvement Fund” means the fund, account or sub-account of the CFD (regardless of its actual designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance City Fee Facilities and which may have subaccounts.

(k) “Party” or “Parties” shall mean any or all of the parties to this Agreement.

(l) “Rate and Method” means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes within Improvement Area No. 3 pursuant to proceedings undertaken for the formation of the CFD and Improvement Area No. 3 pursuant to the Act.

(m) “School Facilities” means those public improvements to be owned, operated, or maintained by the School District identified in proceedings to form the CFD that are eligible to be financed with Bond Proceeds.

(n) “Special Taxes” means the special taxes authorized to be levied and collected within Improvement Area No. 3 pursuant to the Rate and Method.

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

3. Formation of the CFD and Improvement Area No. 3. The School District has undertaken to analyze the appropriateness of forming the CFD and Improvement Area No. 3 to finance the City Fee Facilities and other facilities. The School District has retained, at the expense of Property Owner, the necessary consultants to analyze the formation of the CFD.

4. Sale of Bonds and Use of Bond Proceeds. The Board of Education of the School District acting as the legislative body of the CFD may, in its sole discretion, finance City Fee Facilities by issuing one or more series of Bonds. To the extent that the CFD and Property Owner determine that Bond Proceeds are available to finance City Fee Facilities, School District shall notify the City of the amount of such Bond Proceeds deposited in the Other Facilities Account of the Improvement Fund that is available for such purpose. It is currently anticipated that sufficient Bond Proceeds will be

available to fund City Fee Facilities in an amount equal to the aggregate total of the applicable City Fees for dwelling units within Improvement Area No. 3 of the CFD. As Bond Proceeds are transferred to the City as described in Section 5 below, the portion of the Property with respect to which such transfer was made shall receive a credit in the amount transferred against the payment of City Fees. Nothing herein shall supersede the obligation of Property Owner to make Advances or otherwise pay City Fees to the City when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds to provide a source of funds to finance all or a portion of the City Fee Facilities in lieu of the payment of all or a portion of the City Fees. In the event that Bond Proceeds are not available or sufficient to fully satisfy the obligation, then the Property Owner shall remain obligated to make Advances for which it will receive no reimbursement (except to the extent Bond Proceeds later become available to the City) or pay City Fees to the City as required by the City in accordance with applicable law.

The Bonds shall be issued only if, in its sole discretion, the Board of Education of the School District determines that all requirements of State and federal law and all School District policies have been satisfied or have been waived by the School District. Nothing in this Agreement shall confer upon the City 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 City Fee Facilities except in accordance with the terms of this Agreement.

5. Disbursements for City Facilities.

(a) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund City Fee Facilities, the Property Owner shall notify the City of the amount of Bond Proceeds reserved to fund City Fee Facilities and the Property Owner and the City may execute and submit a Disbursement Request to the School District or the CFD requesting disbursement of an amount equal to all or a portion of the 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 the City's receipt of funds pursuant to such Disbursement Request, the Property Owner shall receive reimbursement of the Advances from the City. To facilitate the City's bookkeeping, the City may direct in a Disbursement Request, that all or a portion of a payment be made directly 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, the City 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 the City 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 considered an interest free loan by the Property Owner, which the City agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund and the City'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, Property Owner may notify the City in writing and the City and Property Owner may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund City Fee 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 the City (or upon the City's written direction, pay to the Property Owner or a City contractor) such requested funds to the extent that Bond Proceeds are then available, or subsequently become available, in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and the City's receipt of such disbursement (or upon payment to the Property Owner or a City contractor in accordance with directions from the City relating to City Fee Facilities), relating to City Fee Facilities, the Property Owner shall be deemed to have satisfied the portion of the applicable City Fees with respect to the number of dwelling units or lots within Improvement Area No. 3 for which City Fees would otherwise have been required in an amount equal to the amount of such disbursement divided by the per lot or unit amount of the applicable City Fees.

(c) The City 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 contractually or incurred such costs of City Fee 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 the City Fee Facilities following receipt of funds from the CFD. For City Fee Facilities to be constructed, in the event that the City 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 the City, from the date of receipt of such Bond Proceeds by the City (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 the City for capital costs of the City Fee Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by the City. The City 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) Subject to Section 5(e) below, the City agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. The City will, upon request, provide the School District and/or Property Owner with access to the City's records related to the City Fee Facilities and expenditure of Advances and will provide to the School District its annual financial report certified by an independent certified public accountant for purposes of assisting the School District in calculating the arbitrage rebate obligation of the CFD, if any.

(e) At the City's discretion, the City may elect to satisfy the tracing and accounting of Bond Proceeds requirements set forth in Section 5 of this Agreement by selecting and depositing unexpended Bond Proceeds with a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept, hold, trace and account for deposits of money (the "**Deposit Institution**"). Property Owner shall pay for all costs and expenses associated with such Deposit Institution and shall pay said costs and expenses as provided in the written direction of the City.

(f) The School District 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 School District or the CFD will, upon request, provide the City and/or Property Owner with access to the School District's or the CFD's records related to the Other Facilities Account of the Improvement Fund.



(g) As a condition to receiving proceeds of Bond Proceeds, the City agrees that it shall provide to the School District a certificate substantially in the form attached hereto as Exhibit E.

6. Ownership of City Fee Facilities. The City Fee Facilities shall be and remain the property of the City.

7. Indemnification.

(a) *Indemnification by the School District.* The School District shall assume the defense of, indemnify and save harmless, the City and its 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 the School District with respect to this Agreement and the issuance of the Bonds; provided, however, that the School District 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 School District, the CFD, and the City, 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 willful misconduct of such person or entity or their officers, agents, or employees.

(c) *Indemnification by the City.* The City shall assume the defense of, indemnify and save harmless, the School District, 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 the City with respect to this Agreement, and the design, engineering, and construction of the City Fee Facilities constructed by the City; 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. In addition to the obligations set forth in Section 7(b) above, Property Owner shall indemnify the City, 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 as a result of the City indemnifying the School District and/or the CFD under this Section 7(c).

8. Allocation of Special Taxes. The Board of Education of the School District, as the legislative body of the CFD, shall annually levy the Special Tax as provided for in the formation proceedings of the CFD. The entire amount of any Special Tax levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD.

9. 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 Property Owner to the purchaser of any parcel of land within the Property provided, however, such assignment shall not be effective unless and until the City and the School District 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 and whether the Property Owner or such assignee is to be reimbursed for Advances which have not been reimbursed at the time of such notice.

10. 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.

11. Notices. Any notice, payment, or instrument required or permitted by this Agreement to be given or delivered to either Party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

School District: Val Verde Unified School District  
975 West Morgan Street  
Perris, CA 92571  
Attn: Deputy Superintendent, Business Services

City: City of Perris  
101 N. D Street  
Perris, CA 92570  
Attn: City Clerk

Property Owner: Stratford Ranch Investors, LLC  
c/o Mission Pacific Land Company  
4100 Newport Place, Suite 480  
Newport Beach, CA 92660  
Attn: Mark V. Rael

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

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

13. Attorneys' 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 attorneys' fees.

14. 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.

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

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

17. 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.

18. 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 the City, the School District, 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.

19. 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.

20. 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.

*[Signature Page Follows]*

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

**VAL VERDE UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
Michael R. McCormick, Superintendent

**ATTEST:**

By: \_\_\_\_\_  
Secretary to the Board

**CITY OF PERRIS**

By: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_

**PROPERTY OWNER**

STRATFORD RANCH INVESTORS, LLC,  
a Delaware limited liability company

By: **ESA Stratford Partners, L.P.**,  
a California limited partnership,  
Its: Managing Member

By: **ESA Partners, LLC**,  
a Delaware limited liability company,  
Its: General Partner

By: **Entrepreneurial Properties Corporation**, a Nevada corporation  
Its: Member

By: \_\_\_\_\_  
Randall C. Luce

Executive Vice President

By: \_\_\_\_\_

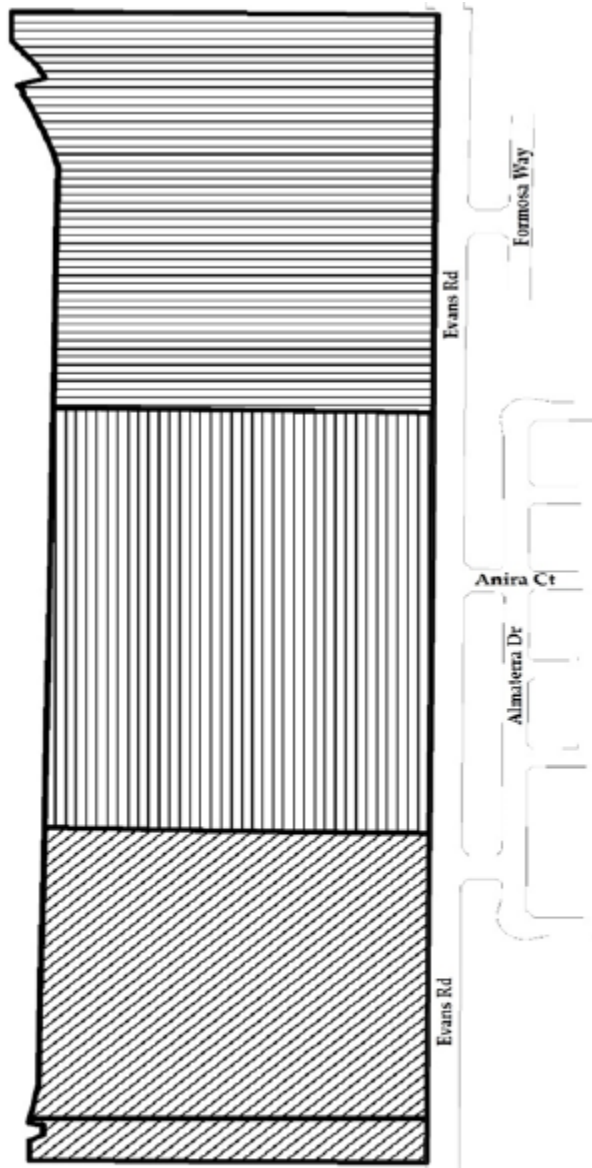
John K. Abel

Its: Member




**EXHIBIT A**

**VAL VERDE UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2018-2 (STRATFORD RANCH)  
(IMPROVEMENT AREA NO. 3)**

**DEPICTION OF PROPERTY**



**LEGEND**

	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 1
	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 2
	Boundaries of Community Facilities District No. 2018-2 Improvement Area No. 3







**EXHIBIT B**

**DESCRIPTION OF PROPERTY**

Real property in the City of Perris, County of Riverside, State of California, described as follows:

Riverside County Assessor Parcel Numbers

302-150-047

302-150-048

## **EXHIBIT C**

### **CITY FEE FACILITIES**

The type of City Fee Facilities eligible to be financed by the CFD under the Act are the capital improvements authorized to be financed with City development impact fees (“**DIF**”) (which does not include any regional impact fees (i.e. Western Riverside Council of Governments Transportation Uniform Mitigation Fee)). The amount of the City Fee Facilities will be based on the applicable fee schedule, which is subject to change.

**EXHIBIT D**

**DISBURSEMENT REQUEST FORM**  
(City Fee Facilities)  
Improvement Area No. 3

1. Val Verde Unified School District Community Facilities District No. 2018-2 (the “**CFD**”) is hereby requested to pay from Bond Proceeds relating to Improvement Area No. 3 to the City of Perris (the “**City**”), as Payee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for City Fee Facilities is due and payable, has not formed the basis of prior request or payment, and is being made with respect to the Joint Community Facilities Agreement by and among Val Verde Unified School District, City of Perris, and Stratford Ranch Investors, LLC, dated as of \_\_\_\_\_, 2020 (the “**JCFA**”) relating to Improvement Area No. 3.

3. Amount requested: \$ \_\_\_\_\_

For Tract / Lot Nos: \_\_\_\_\_ within Improvement Area No. 3

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the JCFA. Capitalized terms not defined herein shall have the meaning set forth in the JCFA.

*[Remainder of Page Intentionally Left Blank]*

**PROPERTY OWNER**  
STRATFORD RANCH INVESTORS, LLC,  
STRATFORD RANCH INVESTORS, LLC,  
a Delaware limited liability company

By: **ESA Stratford Partners, L.P.**,  
a California limited partnership,  
Its: Managing Member

By: **ESA Partners, LLC**,  
a Delaware limited liability company,  
Its: General Partner

By: **Entrepreneurial Properties Corporation**, a Nevada corporation  
Its: Member

By: \_\_\_\_\_  
Randall C. Luce  
Executive Vice President

By: \_\_\_\_\_  
John K. Abel  
Its: Member

CITY OF PERRIS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of the City

cc: City Finance Dept.

**EXHIBIT F**

§ \_\_\_\_\_  
**VAL VERDE UNIFIED SCHOOL DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2018-2 (STRATFORD RANCH)  
(IMPROVEMENT AREA NO. 3)  
20\_\_ SPECIAL TAX BONDS**

**CERTIFICATE OF THE CITY OF PERRIS**

WHEREAS, Val Verde Unified School District Community Facilities District No. 2018-2 (Stratford Ranch) (the “**CFD**”) is issuing the above-captioned bonds (the “**Bonds**”) for the purpose of financing certain infrastructure capital improvements, including the capital expenditures of facilities owned by the City of Perris (the “**City**”);

WHEREAS, the CFD will make available to the City \$ \_\_\_\_\_ of Bond proceeds (the “**Proceeds**”);

WHEREAS, the City has read and understands the restrictions of the Tax Certificate (the “**Tax Certificate**”) of the CFD, dated \_\_\_\_\_, 20\_\_, with respect to the Bonds;

NOW, THEREFORE, the City covenants the following:

1. The City will expend the Proceeds on capital costs (the “**Costs**”) paid to third parties for City improvements or equipment (the “**City Project**”).
2. The City will maintain records regarding the investment and expenditure of the Proceeds and the usage of the City Project.
3. The City will cooperate with the CFD regarding compliance with the terms of the Tax Certificate, including remitting any rebatable arbitrage on the Proceeds, if any, to the CFD to comply with the restrictions of Section 148(f) of the Code.
4. None of the City will be subject to Private Use (as defined in the Tax Certificate) absent consent of the CFD.

All terms not defined herein have the meaning ascribed in the attached Tax Certificate.

Dated: \_\_\_\_\_, 20\_\_

CITY OF PERRIS

By: \_\_\_\_\_  
[Name]  
[Title]