

JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Community Facilities District No. 2025-1 (Skyborne Village) of the City of Desert Hot Springs

by and among

City of Desert Hot Springs, Mission Springs Water District, Lennar Homes of California, LLC, AG EHC II (LEN) CA 2, L.P., and Skyborne Ventures, LLC

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the “**Agreement**”) is entered into effective as of the ___ day of ___, 202___, by and among the CITY OF DESERT HOT SPRINGS, a general law city in the State of California (the “**City**”), MISSION SPRINGS WATER DISTRICT, a public agency organized and existing pursuant to Division 20 of the California Water Code (“**Mission Springs Water District**”), LENNAR HOMES OF CALIFORNIA, LLC, a California limited liability company (“**Lennar**”), AG EHC II (LEN) CA 2, L.P., a Delaware limited partnership (the “**Land Bank**”), and SKYBORNE VENTURES, LLC, a _____ limited liability company (the “**Skyborne Ventures**”) and relates to the formation by the City of a community facilities district known as “Community Facilities District No. 2025-1 (Skyborne Village) of the City of Desert Hot Springs” (the “**CFD**”) for the purpose of financing, among other things, certain facilities to be owned, operated or maintained by the Mission Springs Water District from proceeds of bonds issued by the CFD and the proceeds of facilities special taxes levied by the CFD.

RECITALS

A. The property (“**Property**”) depicted in Exhibit A hereto, which is located in the City, constitutes the land within the boundaries of the CFD. The Property is described in Exhibit B hereto.

B. The CFD consists of two improvement areas: Improvement Area No. 1 (“**Improvement Area No. 1**”) and Improvement Area No. 2 (“**Improvement Area No. 2**”). In addition, the CFD has identified property for future annexation (the “**Future Annexation Area**”) that may be annexed into the CFD as one or more new improvement areas (each, a “**Future Improvement Area**”). Improvement Area No. 1, Improvement Area No. 2, and the Future Annexation Area are identified on the map attached hereto as Exhibit A.

C. Lennar and the Land Bank entered into an Option Agreement dated _____, _____ (the “**Option Agreement**”) and a Construction Agreement dated _____, _____ (the “**Construction Agreement**”) and together with the Option Agreement, the “**Land Bank Documents**”). On _____, _____, the Land Bank acquired the property in Improvement Area No. 1.

D. Under the Land Bank Documents, Lennar has the exclusive right to develop the Property in Improvement Area No. 1 and to acquire the parcels of the Property in Improvement Area No. 1 from the Land Bank from time to time pursuant to a takedown schedule. As of the date of this Agreement, Lennar has acquired several parcels of the Property in Improvement Area No. 1 from the Land Bank, and the Land Bank owns the remainder of the Property in Improvement Area No. 1 subject to the Land Bank Documents.

E. Skyborne Ventures is the owner of the Property in Improvement Area No. 2.

F. As used in this Agreement: (1) with respect to the property in Improvement Area No. 1 (i) during the term of the Option Agreement, the term “**Developer**” shall mean exclusively Lennar, regardless of whether any portion of the Property in Improvement Area No. 1 is owned by the Land Bank; and (ii) if the Option Agreement is terminated prior to the conveyance of all of the Property in Improvement Area No. 1 to Lennar, the term “**Developer**” shall mean (A) Lennar with respect to the portion of the Property in Improvement Area No. 1 owned by Lennar, (B) the Land Bank with respect to the portion of the Property in Improvement Area No. 1 owned by the Land Bank, and (C) if the Land Bank enters into an agreement for the sale of any part of the Property in Improvement Area No. 1 to a replacement builder (“**Replacement Builder**”) and the Land Bank assigns the Mitigation Agreement to such Replacement Builder and the Replacement Builder has assumed such Mitigation Agreement, the Replacement Builder with respect to the portion of the Property in Improvement Area No. 1 subject to the agreement with the Land Bank and/or owned by such Replacement Builder; (2) with respect to the property in Improvement Area No. 2, the term “**Developer**” shall mean exclusively Skyborne Ventures; and (3) with respect to the property in a Future Improvement Area, the term “**Developer**” shall mean the developer of the property in the Future Improvement Area.

G. The City received a petition in accordance with the Act (defined below) to form the CFD for the purpose of financing, among other things, certain public facilities to be constructed and owned and operated by Mission Springs Water District (the “**Mission Springs Water District Facilities**”) in lieu of the payment of Mission Springs Water District Fees (defined herein) and certain water and sewer facilities to be constructed by the applicable Developer and acquired by Mission Springs Water District (the “**Acquisition Facilities**”).

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

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

J. The City is authorized by Section 53313.5 of the Act to assist in the financing of the acquisition and/or construction of the Mission Springs Water District Facilities and/or the Acquisition Facilities. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among Mission Springs Water District, Lennar, the Land Bank, Skyborne Ventures, and the City, pursuant to which the CFD, when and if formed, will be authorized to finance the acquisition and/or construction of all or a portion of the Mission Springs Water District Facilities and/or the Acquisition Facilities. As authorized by Section 53316.6 of the Act, responsibility

for constructing, providing for and operating the Mission Springs Water District Facilities and/or the Acquisition Facilities is delegated to Mission Springs Water District.

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

AGREEMENT

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

1. **Recitals.** Each of the above recitals is incorporated herein and is true and correct.
2. **Definitions.** Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.
 - (a) **“Acquisition Facility(ies)”** means the sewer and water facilities described as such in Exhibit C hereto.
 - (b) **“Act”** means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.
 - (c) **“Advance”** or **“Advances”** means an amount advanced by a Developer to Mission Springs Water District for Mission Springs Water District Facilities in lieu of payment of Mission Springs Water District Fees prior to the availability of sufficient Bond Proceeds from the applicable Improvement Area. Advances shall be deemed payment of Mission Springs Water District Fees to the extent sufficient Bond Proceeds from the applicable Improvement Area are not received by or made available to Mission Springs Water District.
 - (d) **“Bond Proceeds”** or **“Proceeds of the Bonds”** shall mean, for each Improvement Area, those net funds generated by the sale of the Bonds and investment earnings thereon, net of costs of issuance, reserve fund, capitalized interest and administrative expenses, and may include net funds generated by the levy of Special Taxes from the applicable Improvement Area and investment earnings thereon.
 - (e) **“Bond Resolution”** means that Resolution, Resolution Supplement, Fiscal Agent Agreement, Indenture of Trust or other equivalent document(s) providing for the issuance of the Bonds of an Improvement Area.
 - (f) **“Bonds”** shall mean those bonds, or other securities, issued by, or on behalf of an Improvement Area of the CFD, in one or more series, as authorized by the qualified electors within the applicable Improvement Area of the CFD.
 - (g) **“Disbursement Request”** means a request for payment relating to Mission Springs Water District Facilities in the form attached hereto as Exhibit D.

(h) **“Future Improvement Area”** means an improvement area of the CFD designated by the CFD following the annexation of property from the Future Annexation Area.

(i) **“Improvement Area”** means, as the context requires, Improvement Area No. 1, Improvement Area No. 2 of the CFD, or a Future Improvement Area.

(j) **“Improvement Area No. 1”** means Improvement Area No. 1 of the CFD.

(k) **“Improvement Area No. 2”** means Improvement Area No. 2 of the CFD.

(l) **“Improvement Areas”** means Improvement Area No. 1, Improvement Area No. 2, and any then-existing Future Improvement Area.

(m) **“Mission Springs Water District Engineer Representative”** means a Mission Springs Water District engineer duly authorized to act on behalf of Mission Springs Water District or his or her designee.

(n) **“Mission Springs Water District Facilities”** means those sewer and water facilities listed on Exhibit C hereto, which are necessary for the provision of water and sewer services to the Property and paid for with Bond Proceeds in lieu of the payment of Mission Springs Water District Fees.

(o) **“Mission Springs Water District Fees”** means water supply development fees, water backup fees, sewer backup fees, sewer treatment capacity charges and all components thereof imposed by Mission Springs Water District upon the Property to finance Mission Springs Water District Facilities.

(p) **“Other Facilities Account of the Improvement Fund”** means the fund, account or subaccount of the CFD (regardless of its designation within the applicable Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the applicable Bond Resolution to finance Mission Springs Water District Facilities and/or the Acquisition Facilities and which may have subaccounts.

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

(r) **“Payment Request”** means a request for payment relating to Acquisition Facilities in the form attached hereto as Exhibit E.

(s) **“Rate and Method”** means, for an Improvement Area, the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes within such Improvement Area pursuant to proceedings undertaken for the CFD pursuant to the Act.

(t) **“Special Taxes”** means the facilities special taxes authorized to be levied and collected within an Improvement Area of the CFD pursuant to the applicable Rate and Method.

(u) **“State”** means the State of California.

3. Formation of the CFD. The City has undertaken to analyze the appropriateness of forming the CFD to finance the Mission Springs Water District Facilities, Acquisition Facilities, and other facilities.

4. Sale of Bonds and Use of Bond Proceeds. In the event that the CFD is formed and Bonds are issued for an Improvement Area, the City and the applicable Developer shall determine the amount of Bond Proceeds from such Improvement Area to be deposited in the Other Facilities Account of the Improvement Fund and each subaccount thereof. As such Bond Proceeds are transferred to Mission Springs Water District and reserved to fund Mission Springs Water District Facilities, as described in Section 5 below, the applicable Developer shall receive a credit in the amount transferred against the payment of Mission Springs Water District Fees with respect to the Property in such Improvement Area. Nothing herein shall supersede the obligation of an owner of the Property to make an Advance or pay Mission Springs Water District Fees to Mission Springs Water District when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds and levy Special Taxes to provide a source of funds to finance Mission Springs Water District Facilities and Acquisition Facilities in lieu of the payment of Mission Springs Water District Fees and provision of Acquisition Facilities. In the event that Bond Proceeds, including investment earnings thereon, are not available or sufficient to satisfy the obligation, then the applicable Developer shall remain obligated to make an Advance for which it will receive no reimbursement (except to the extent applicable Bond Proceeds later become available to Mission Springs Water District), or pay Mission Springs Water District Fees to Mission Springs Water District as a condition of receiving water and sewer service to the Property.

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

CFD shall not include Mission Springs Water District's name on property owners' special tax bills within the CFD.

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

5. Disbursements for Mission Springs Water District Facilities.

(a) The provisions of this Section 5 shall apply separately to each Improvement Area of the CFD and there shall be no cross-collateralization between Improvement Areas. To the extent a Developer makes advances, constructs facilities, or gets credits under this Section 5 for the Improvement Area that such Developer owns or is developing, those actions shall apply only to the Improvement Area in which the Developer owns or is developing property. For example, an Advance made by a Developer in Improvement Area No. 1 shall not result in a credit or reimbursement provided to any property in Improvement Area No. 2 or to a Developer associated with Improvement Area No. 2.

(b) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund Mission Springs Water District Facilities, the applicable Developer shall notify Mission Springs Water District of the amount of Bond Proceeds reserved to fund Mission Springs Water District Facilities and the applicable Developer and Mission Springs Water District may execute and submit a Disbursement Request for payment to the City or the CFD requesting

disbursement of an amount equal to all or a portion of Advances from the Other Facilities Account of the applicable Improvement Fund to the extent that Bond Proceeds are available in the Other Facilities Account of the applicable Improvement Fund for such purpose. Upon Mission Springs Water District's receipt of funds pursuant to such Disbursement Request, the applicable Developer shall receive reimbursement of the Advances from Mission Springs Water District. To facilitate Mission Springs Water District's bookkeeping, Mission Springs Water District may direct in a Disbursement Request, that all or a portion of a payment be made directly from the Other Facilities Account to the applicable Developer as reimbursement for Advances made by the applicable Developer. In the event of a reimbursement to the applicable Developer pursuant to the preceding sentence, Mission Springs Water District shall account for an equivalent amount of Advances previously received from such Developer in accordance with Section 5(c) below.

To the extent that Mission Springs Water District expends all or a portion of an Advance pending the deposit of Bond Proceeds in the Other Facilities Account of the Improvement Fund for an Improvement Area, 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 applicable Developer, which Mission Springs Water District only agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund for such Improvement Area and Mission Springs Water District's written direction as described below to pay all or a portion of such deposit to such Developer as repayment of an Advance.

(c) From time to time following the funding of the Other Facilities Account of the Improvement Fund for an Improvement Area, the applicable Developer may notify Mission Springs Water District in writing and such Developer and Mission Springs Water District may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund Mission Springs Water District 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 Mission Springs Water District (or upon Mission Springs Water District's written direction pay to such Developer or an Mission Springs Water District contractor) such requested funds to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and Mission Springs Water District's receipt of such disbursement (or upon payment to such Developer or an Mission Springs Water District contractor in accordance with directions from Mission Springs Water District relating to Mission Springs Water District Facilities), such Developer shall be deemed to have satisfied the applicable Mission Springs Water District Fees with respect to the number of dwelling units or lots for which the Mission Springs Water District Fees would otherwise have been required in an amount equal to such disbursement.

(d) Mission Springs Water District agrees that prior to submitting a Disbursement Request requesting payment from the CFD it shall review and approve all costs included in its request and will have already paid or incurred such costs of Mission Springs Water District Facilities from its own funds (which may include Advances from the applicable Developer) subsequent to the date of this Agreement, or will disburse such amounts to pay the costs of Mission Springs Water District Facilities following receipt of funds from the CFD. In the event that Mission Springs Water District 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(b) 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 Mission Springs Water District, from the date of receipt of such Bond Proceeds by Mission Springs Water

District (or the date of disbursement pursuant to the second to the last sentence of the first paragraph of Section 5(b) above) to the date of expenditure by Mission Springs Water District for capital costs of the Mission Springs Water District Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by Mission Springs Water District. Mission Springs Water District 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.

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

(f) The City or the CFD agrees to maintain full and accurate records of all amounts, and investment earnings, if any, expended from the Other Facilities Account of the Improvement Fund and expenditure of Advances. The City or the CFD will, upon request, provide Mission Springs Water District and/or the applicable Developer with access to the City's or the CFD's records related to the Other Facilities Account of the Improvement Fund.

(g) The City and Mission Springs Water District acknowledge that the City has the ultimate responsibility for issuance of the Bonds, the administration of the CFD, and the tax-exempt status of any Bonds issued by the CFD. Accordingly, the City Council shall have ultimate responsibility for making all decisions with respect to the issuance of any CFD Bonds and the levy of CFD Special Taxes.

6. Ownership of Mission Springs Water District Facilities and Acquisition Facilities. The Mission Springs Water District Facilities and Acquisition Facilities shall be and remain the property of Mission Springs Water District.

7. Acquisition Facilities. The requirements of this Section 7 shall apply to any Acquisition Facility for which a Payment Request is submitted to Mission Springs Water District pursuant to this Section 7. The provisions of this Section 7 shall apply separately to each Improvement Area of the CFD and there shall be no cross-collateralization between Improvement Areas. A Developer that constructs facilities may only seek payment for the purchase price of such facilities from the CFD proceeds of the property in the Improvement Area being developed by such Developer, and the CFD proceeds from the other Improvement Areas are not available to such Developer absent a written agreement between all of the Parties hereto. There shall be no joint and several liability among the Developers for work undertaken by a single Developer.

(a) Design Plans and Specifications. All plans, specifications and bid documents for the Acquisition Facility ("**Plans**") constructed or to be constructed by the applicable Developer shall be prepared by such Developer at such Developer's initial expense, subject to approval by Mission Springs Water District. Costs for preparation of the Plans shall be included in the acquisition price. Reimbursement of costs for plan revisions will be considered on a case by case basis. The applicable Developer shall not award bids for construction, or commence or cause commencement of construction, of the Acquisition Facility until the Plans and bidding documents have been approved by

Mission Springs Water District. The bid opening for the Acquisition Facility shall be coordinated with and take place at Mission Springs Water District's offices, with Mission Springs Water District personnel in attendance.

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

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

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

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

(c) Mission Springs Water District Public Works Requirements. In order that the Acquisition Facility may be properly and readily acquired by Mission Springs Water District, the applicable Developer shall comply with all of the following requirements with respect to the Acquisition Facility, and such Developer shall provide such proof to the Mission Springs Water District as Mission Springs Water District may reasonably require and at such intervals and in such form as Mission Springs Water District may reasonably require, that the following requirements have been satisfied as to the Acquisition Facility:

(i) The applicable Developer shall prepare a bid package for review, comment and approval by the General Manager of Mission Springs Water District or his designee (the "**Mission Springs Water District Representative**").

(ii) The applicable Developer shall, after obtaining at least three sealed bids for the construction of the Acquisition Facility in conformance with the procedures and requirements of Mission Springs Water District, submit to Mission Springs Water District written evidence of such competitive bidding procedure, including evidence of the means by which bids were solicited, a listing of all responsive bids and their amounts, and the name or names of the contractor or contractors to

whom such Developer proposes to award the contracts for such construction, which shall be the lowest responsible bidder.

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

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

(v) The applicable Developer shall submit faithful performance and payment bonds conforming in all respects to the requirements set forth in Mission Springs Water District's "Standard Water and/or Sewer Facilities and Service Agreement." [DOES MISSION SPRINGS HAVE SUCH A POLICY?] The following documents shall be submitted to Mission Springs Water District along with the performance and payment bonds:

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

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

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

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

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

(viii) A “**Change Order**” is an order from the applicable Developer to a contractor authorizing a change in the work to be performed. The applicable Developer shall receive comments from the Mission Springs Water District Representative prior to such Developer’s approval of any Change Order. The Mission Springs Water District Representative shall comment on or deny the Change Order request within five (5) business days of receipt of all necessary information. Mission Springs Water District’s comments to a Change Order shall not be unreasonably delayed, conditioned or withheld. The applicable Developer shall not be entitled to include in the acquisition price costs associated with a Change Order that have not been approved by the Mission Springs Water District Representative.

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

Within three (3) business days of receipt of written notification from Mission Springs Water District inspectors that an Acquisition Facility has been completed in accordance with the Plans, the Mission Springs Water District Representative shall notify the applicable Developer in writing that such Acquisition Facility has been satisfactorily completed. Upon receiving such notification, such Developer shall file a Notice of Completion with the County of Riverside Recorder’s Office, pursuant to the provisions of Section 3093 of the Civil Code. The applicable Developer shall furnish to Mission Springs Water District a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County of Riverside (the “**County**”). Mission Springs Water District will in turn file a notice with the County for acceptance.

(e) Liens. With respect to the Acquisition Facility, upon the earlier of (i) receipt of all applicable lien releases, or (ii) expiration of the time for the recording of claim of liens as prescribed by Sections 3115 and 3116 of the Civil Code, the applicable Developer shall provide to Mission Springs Water District such evidence or proof as Mission Springs Water District shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment for the construction of the Acquisition Facility have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

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

(i) The actual hard costs for the construction of such Acquisition Facility as established by Mission Springs Water District-approved construction contracts and approved Change Orders, including costs of payment, performance and maintenance bonds and insurance costs, pursuant to this Agreement;

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

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

(iv) Costs incurred by the applicable Developer for construction management and supervision of such Acquisition Facility, not to exceed five percent (5%) of the actual hard costs of construction, subject to prior approval by Mission Springs Water District of any construction management or supervision contract with respect to the Acquisition Facility;

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

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

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

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

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

Engineer Representative, subject, however, to such Developer's right to appeal to Mission Springs Water District's Board of Directors.

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

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

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

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

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

(j) Inspection of Records. Mission Springs Water District shall have the right to review all books and records of the applicable Developer pertaining to the costs and expenses incurred by such Developer for the design and construction of the Acquisition Facility during normal business

hours by making arrangements with such Developer. The applicable Developer shall have the right to review all books and records of Mission Springs Water District pertaining to costs and expenses incurred by Mission Springs Water District for services of the Mission Springs Water District Engineer Representative by making arrangements with Mission Springs Water District.

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

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

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

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

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

Both the applicable Developer and its contractor shall conform in every respect to the requirements set forth in the Standard Water and/or Sewer Facilities and Service Agreement, by and between Mission Springs Water District and the Developer.

8. Indemnification.

(a) Indemnification by the City. The City shall assume the defense of, indemnify and save harmless, Mission Springs Water District, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the City with respect to this Agreement and the issuance of the Bonds; provided, however, that the

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

(b) Indemnification by Developer. The provisions of this Section 8(b) shall apply separately to each Developer. Under no circumstances shall a Developer's obligation hereunder be considered joint and several with any other Developer. Under no circumstances shall (i) Lennar be responsible to indemnify any party for the actions or inactions of the Land Bank, Skyborne Ventures, or any other Developer, (ii) Land Bank be responsible to indemnify any party for the actions or inactions of Lennar, Skyborne Ventures, or any other Developer, or (iii) Skyborne Ventures be responsible to indemnify any party for the actions or inactions of Lennar, the Land Bank, or any other Developer. Subject to the foregoing, a Developer shall assume the defense of, indemnify and save harmless, the City, the CFD and Mission Springs Water District, 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 such Developer with respect to this Agreement; provided, however, that such Developer shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(c) Indemnification by Mission Springs Water District. Mission Springs Water District shall assume the defense of, indemnify and save harmless, the City, the CFD and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of Mission Springs Water District with respect to this Agreement, and the design, engineering and construction of the Mission Springs Water District Facilities and the Acquisition Facilities constructed by Mission Springs Water District; provided, however, that Mission Springs Water 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.

9. Allocation of Special Taxes. The entire amount of any Special Taxes from an Improvement Area levied by the CFD to repay Bonds of such Improvement Area, or to fund other obligations, shall be allocated to the CFD for the benefit of such Improvement Area.

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

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

12. Notices. Any notice, payment 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:

City:	City of Desert Hot Springs 11-999 Palm Drive Desert Hot Springs, California 92240 Attention: Doria Wilms, City Manager Email: dwilms@cityofdhs.org
Mission Springs Water District:	Mission Springs Water District 66575 Second Street Desert Hot Springs, California 92240 Attention: Brian Macy, General Manager Email: bmacy@mswd.org
Lennar:	Lennar Homes of California, LLC 4140 Temescal Canyon Road, Ste. 410 Corona, California 92883 Attention: Geoff Smith Email: Geoffrey.smith@lennar.com
If to Land Bank:	AG EHC II (LEN) CA 2, L.P. c/o Essential Housing Asset Management LLC 8585 E. Hartford Drive, Suite 118 Scottsdale, Arizona 85255 Attention: Steven S. Benson
If to Skyborne Ventures:	Skyborne Ventures, LLC Attention: _____ Email: _____

Each Party may change its address for delivery of notice by delivering written notice of such change of address to the other Parties hereto. Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier upon the sender's receipt of written acknowledgement from the addressee, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

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

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

reasonable attorney's fees. The provisions of this Section 14 shall apply separately to each Developer. Under no circumstances shall a Developer's obligation hereunder be considered joint and several with any other Developer. Under no circumstances shall (i) Lennar be responsible to pay any costs and expenses of suit, including reasonable attorney's fees, if the Land Bank, Skyborne Ventures, or any other Developer is determined to be the losing party, (ii) Land Bank be responsible to pay any costs and expenses of suit, including reasonable attorney's fees, if Lennar, Skyborne Ventures, or any other Developer is determined to be the losing party, or (iii) Skyborne Ventures be responsible to pay any costs and expenses of suit, including reasonable attorney's fees, if the Land Bank, Lennar, or any other Developer is determined to be the losing party.

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

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

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

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

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

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

21. Termination. If the City determines and notifies the other Parties in writing that the CFD has not been formed, any obligation of the Parties, if any, to finance all or any Mission Springs Water District Facilities with Bond Proceeds pursuant to this Agreement shall automatically terminate and be of no further force or effect.

22. 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.

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

CITY OF DESERT HOT SPRINGS

Doria Wilms, City Manager

ATTEST:

By: _____
Jerryl Soriano, City Clerk

[SIGNATURES CONTINUED ON NEXT PAGE.]

MISSION SPRINGS WATER DISTRICT

By: _____

ATTEST:

By: _____

LENNAR

LENNAR HOMES OF CALIFORNIA, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

LAND BANK:

AG EHC II (LEN) CA 2, L.P.,
a Delaware limited partnership

By: Essential Housing Asset Management, LLC,
an Arizona limited liability company,
its Authorized Agent

By: _____
Steven S. Benson, Manager

SKYBORNE VENTURES

SKYBORNE VENTURES, LLC,
a _____ limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

**COMMUNITY FACILITIES DISTRICT NO. 2025-1 (SKYBORNE VENTURES)
OF THE CITY OF DESERT HOT SPRINGS**

DEPICTION OF PROPERTY

EXHIBIT B

**COMMUNITY FACILITIES DISTRICT NO. 2025-1 (SKYBORNE VENTURES)
OF THE CITY OF DESERT HOT SPRINGS**

DESCRIPTION OF PROPERTY

EXHIBIT C

COMMUNITY FACILITIES DISTRICT NO. 2025-1 (SKYBORNE VENTURES) OF THE CITY OF DESERT HOT SPRINGS

FACILITIES DESCRIPTION

1. Mission Springs Water District Facilities. The type of Mission Springs Water District Facilities eligible to be financed by the CFD under the Act are as follows:

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

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

All appurtenances and appurtenant work in connection with the foregoing Mission Springs Water District Facilities and Acquisition Facilities (collectively, the "Facilities"), including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Facilities, and to finance the incidental expenses to be incurred, including:

- a. The cost of engineering, planning and designing the Facilities;
- b. All costs, including costs of the property owner petitioning to form the District, associated with the creation of the District, the issuance of the bonds, the determination of the amount of special taxes to be levied and costs otherwise incurred in order to carry out the authorized purposes of the District; and
- c. Any other expenses incidental to the construction, acquisition, modification, rehabilitation, completion and inspection of the Facilities.

EXHIBIT D

**COMMUNITY FACILITIES DISTRICT NO. 2025-1 (SKYBORNE VENTURES)
OF THE CITY OF DESERT HOT SPRINGS**

DISBURSEMENT REQUEST FORM
(Mission Springs Water District Facilities)

1. Community Facilities District No. 2025-1 (Skyborne Village) of the City of Desert Hot Springs (“**CFD**”) is hereby requested to pay from the CFD bond proceeds (“**Bond Proceeds**”) to Eastern Municipal Water District (“**Mission Springs Water District**”), as Payee, or to Mission Springs Water District’s designee, the sum set forth in 3 below.

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

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

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement, by and among the City of Desert Hot Springs, Mission Springs Water District, AG EHC II (LEN) CA 2, L.P., Lennar Homes of California, LLC, and Skyborne Ventures, LLC, dated _____, 202__ (the “**Agreement**”). Capitalized terms not defined herein shall have the meaning set forth in the Agreement. Mission Springs Water District shall spend the Bond Proceeds allocated hereby in accordance with the requirements set forth in Section 5 of the Agreement.

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

DEVELOPER

**[INSERT APPLICABLE DEVELOPER
SIGNATURE BLOCK]**

MISSION SPRINGS WATER DISTRICT

By: _____

cc: Mission Springs Water District Special Funding District

EXHIBIT E

COMMUNITY FACILITIES DISTRICT NO. 2025-1 (SKYBORNE VENTURES) OF THE CITY OF DESERT HOT SPRINGS

PAYMENT REQUEST FORM

CFD NO. 2025-1 (SKYBORNE VILLAGE) OF THE CITY OF DESERT HOT SPRINGS– OTHER
FACILITIES ACCOUNT
OF THE IMPROVEMENT FUND

The City of Desert Hot Springs (“City”), Mission Springs Water District (“**Mission Springs Water District**”), AG EHC II (LEN) CA 2, L.P., Lennar Homes of California, LLC, and Skyborne Ventures, LLC are parties to the Joint Community Facilities Agreement, dated as of _____ (the “**Mission Springs Water District JCFA**”). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Mission Springs Water District JCFA. Pursuant to the Mission Springs Water District JCFA, the applicable Developer hereby requests approval of the acquisition price of the Acquisition Facility(ies) described in Attachment A attached hereto. In connection with this Payment Request, such Developer hereby represents and warrants to the Mission Springs Water District as follows:

(a) The person executing this Payment Request is qualified to execute this Payment Request on behalf of such Developer and knowledgeable as to the matters set forth herein. This Payment Request is for proceeds of Bonds and/or special taxes of the Improvement Area applicable to the property developed by the person executing this Payment Request.

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

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

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

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

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

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

DEVELOPER

[INSERT DEVELOPER SIGNATURE BLOCK]

CONFIRMATION AND APPROVAL BY MISSION SPRINGS WATER DISTRICT

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

Date: _____

**AUTHORIZED REPRESENTATIVE OF
MISSION SPRINGS WATER DISTRICT**

By: _____

ATTACHMENT A

IMPROVEMENT AREA _____

<u>Acquisition Facility</u>	<u>Actual Cost</u>	<u>Acquisition Price*</u>
	Total Acquisition Price to be Paid:	

ATTACHMENT B

ACQUISITION PRICE PAYMENT INSTRUCTIONS

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