

**REIMBURSEMENT AGREEMENT
RE PROPOSED
COMMUNITY FACILITIES DISTRICT NO. 2025-2
(QUARTZ TRAIL) OF THE CITY OF MENIFEE**

THIS REIMBURSEMENT AGREEMENT RE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2025-2 (QUARTZ TRAIL) OF THE CITY OF MENIFEE (the “Agreement”) dated as of February 1, 2025, is entered into by and between the City of Menifee, a general law city organized and existing under the laws and constitution of the State of California (the “City”), and Lennar Homes of California, LLC, a California limited liability company (the “Developer”).

RECITALS:

A. The Developer is developing approximately 30 acres of land described in Exhibit A attached hereto (the “Property”) for which the Developer desires to include the Property within proposed Community Facilities District No. 2025-2 (Quartz Trail) of the City of Menifee (the “District”) to be established by the City pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the “Act”).

B. The City and the Developer are desirous of entering into this Agreement in order to provide a mechanism by which the Developer may advance certain costs related to the cost of formation of the District, and to provide that such District, if formed, will reimburse the Developer for the amounts advanced hereunder.

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. Potential Formation of the District and Issuance of Bonds.

(a) At the request of the Developer or other landowner of the Property, the City will undertake to form the District. The City will retain, at the Developer’s expense, the necessary consultants to analyze the proposed formation of the District and issuance of bonds, including an engineer, special tax consultant, financial advisor, bond counsel, market absorption consultant, appraiser and other consultants deemed necessary by the City. In addition, City staff time spent in connection with the formation of the District and the issuance of bonds shall be at Developer’s expense.

(b) In order to fund the process of analyzing the potential formation of the District, the Developer has caused to be advanced to the City a sum totaling \$70,000. From time to time, the Developer shall make additional advances to the City within 15 days following receipt from the City of a request for an additional advance to cover the costs of forming the District and/or issuing bonds. In the event the Developer does not deliver the requested amount to the City within such 15-day period, the City will have no obligation to proceed with the analysis or bond issue unless and until such additional advance is received. The Developer shall have the right to notify the City at any time, in writing, of its intention to abandon the formation of the District or the issuance of bonds. Upon receipt of such notice, the City shall instruct its consultants to cease work as soon as practicable. The

Developer shall be responsible for paying all costs and expenses incurred by the City or any City consultant or advisor prior to the date on which the City's consultants are notified of the Developer's notice of abandonment. Notwithstanding a decision of the Developer to abandon the formation of the District or the issuance of bonds, the City may, in its sole discretion, elect to proceed with formation of the District and/or the issuance of bonds with funds other than those of the Developer; provided, however, that, in executing this Agreement, the Developer or owner of the Property shall not be deemed to have waived their right to object to the formation of the District or the issuance of bonds.

(c) The City will provide to the Developer on request a summary of how the advances have been spent and the unexpended balance remaining. With the exception of \$5,000, which is nonrefundable, amounts advanced by the Developer will be reimbursable to the Developer, without interest, from the proceeds of bonds issued by the District when and if the District is formed. In the event that bonds are not issued to provide a source of reimbursement to the Developer, the City shall have no liability to the Developer to reimburse them for any amounts previously advanced by the Developer and expended by the City in accordance with this Agreement.

3. Reimbursement Procedure. The City shall return any funds that have been advanced by the Developer that are not expended on the purposes set forth in Section 2 above. Such returned funds shall be without interest.

4. Abandonment of CFD Formation Process. The Developer understands that any formation of the District shall be in the sole discretion of the City. No provision of this Agreement shall be construed as a promise, warranty or agreement by the City to form the District, to annex the Property to any other district or improvement area of the City or to issue any bonds. The City shall have no liability to Developer for its decision not to form the District or issue bonds.

5. Indemnification and Hold Harmless. The Developer hereby assumes the defense of, and indemnifies and saves harmless, jointly and severally, the City and each of its officers, directors, employees and agents, 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 arising out of any acts or omissions taken by the Developer or any of the Developer's officers, employees, contractors and agents with respect to the formation of the District. Notwithstanding the foregoing, the Developer shall not be liable for double indemnity nor for the negligence or willful misconduct of the City or any of its officers, directors, employees and agents.

6. Notices. Any notice to be provided pursuant to this Agreement shall be delivered to the following addresses:

Developer	Lennar Homes of California, LLC 4140 Temescal Canyon Rd., Suite 410 Corona, CA 92883 Attention: Geoff Smith Telephone: 951-827-3517
City:	City of Menifee 29844 Haun Road Menifee, CA 92586

Attn: Chief Financial Officer
Telephone: (951) 723-1782
Email: thickey@cityofmenifee.us

With a copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660
Attention: Brian Forbath, Esq.
Telephone: (949) 725-4193
Email: bforbath@sycr.com

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

7. Assignment. The Developer may assign its interest in this Agreement at any time provided, however, that the Developer shall provide written evidence of any assignment to the City.

8. 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 permitted by law.

9. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein.

10. Amendments. This Agreement may be amended or modified only by written instrument signed by all parties.

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

12. 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.

13. No Third-Party Beneficiaries. No person or entity 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 and the Developer, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14. 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.

15. Termination. This Agreement shall terminate and be of no further force and effect on December 31, 2030, unless expressly amended by the parties; provided, however, that the Developer's obligations under Section 5 shall survive the termination and the City's obligation to provide reimbursement in accordance with Sections 2 and 3 for expenses incurred prior to the termination date shall also survive termination.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF MENIFEE, a political subdivision of the
State of California

By: _____
Armando G. Villa, City Manager

ATTEST:

By: _____
Stephanie Roseen, City Clerk

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

By: _____
By: Geoffrey Smith
Its: Vice President

APPROVED AS TO FORM:

CITY ATTORNEY

By: _____
Jeffrey T. Melching, City Attorney

EXHIBIT A

DESCRIPTION OF PROPERTY

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

LOTS 1 THROUGH 80, INCLUSIVE, LOTS E THROUGH L, INCLUSIVE, AND COMMON AREA LOTS 81 AND 82, OF TRACT NO. 36803, AS SHOWN ON A SUBDIVISION MAP ("MAP") FILED IN BOOK 489, PAGES 16 TO 23, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.