

June 21, 2021

DIAMOND BROTHERS, FIVE PARTNERSHIP  
3200 GUASTI ROAD SUITE 100  
ONTARIO, CA 91105

Re: Agreement for the Deposit and Reimbursement of fees incurred by the City of Menifee in Conducting and Processing Analysis under the California Environmental Quality Act of **Planning Application No. 2019-017, Change of Zone No. 2019-018, Tentative Tract Map No. 2019-007 (TTM 37671) AND PLN20-0055 (TTM 37828)(“MENIFEE VILLAGE SPECIFIC PLAN”)**

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Dear Mr. Sullivan:

DIAMOND BROTHERS, FIVE PARTNERSHIP (“**Developer**”) has requested that the City of Menifee (“**City**”) consider Planning Application No. 2019-017, Change of Zone Np. 2019-018, Tentative Tract Map No. 2019-007 (TTM 37671) and PLN 20-0055 (TTM 37828) (“**MENIFEE VILLAGE SPECIFIC PLAN PROJECT**”), located northwest of Domenigoni Parkway and east of Lindenberger Road (APNs: 340-050-003, 340-050-014, 340-050-021, 340-040-030, 340-040-027), and which proposes the subdivision of 77 acres into commercial and residential lots. The subdivision also creates four (4) larger open spaces, two (2) water quality basins and streets for the overall project (“**Project**”). **Tentative Tract Map No. 2019-007 (TTM 37671)** proposes a subdivision of 64.0 gross acres into 182 single family residential lots ranging in size from 6,000 to 16,172 square feet. The subdivision also creates 15 lots for HOA landscape, a park and open space purposes with the landscape and open space encompassing 16.0 acres and the park having an overall area of 2.9 acres. The subdivision as proposed will be recoded in two phases. **PLN20-0055 (TTM 37828)** proposes a subdivision of 18.17 gross acres into 94 lots with 91 single family detached residential lots ranging in size from 2,720 to 4,819 square feet, a 1.1 acre parcel for future commercial purposes, a 4.7 acre parcel for future community facilities center and a 0.04 acre parcel for park purposes. The subdivision also creates 25 lots for HOA and street purposes. To conduct its review and analysis of the Project, the City is required to conduct an environmental analysis (“**CEQA Analysis**”) as required by the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*, and its implementing guidelines found at Title 14 of the California Code of Regulations section 15000 *et seq.*

The City will commence to take the steps necessary, at Developers sole expense so that the City will be able to conduct and complete the CEQA Analysis. Developer has indicated that it is

prepared to reimburse the City for all costs associated with the City's conduct, processing, and consideration of the CEQA Analysis including without limitation in-house staff time and resources, environmental consultant time and resources, City's legal counsel's time and resources, and other third party cost items. For example, the costs incurred by the City to engage an environmental review consultant, and any necessary sub-consultants or technical consultants, to conduct the CEQA Analysis shall be borne by Developer. This letter serves as an "**Initial Deposit Agreement**" by and between Developer and the City.

To assist the City in undertaking their consideration of whether or not to approve the Project, Developer agrees to provide the City with an initial deposit in the amount of **\$63,756** ("**Initial Deposit**"). The Initial Deposit is the *estimated* full amount of the costs to be incurred by the City in or in connection with the conduct, processing, review, evaluation, and action taken on the CEQA Analysis ("**Analysis Costs**"). The Initial Deposit shall be deposited with the City, to the attention of the Finance Director, on or before **July 5, 2021** ("**Effective Date**").

The Initial Deposit shall be used to reimburse the Analysis Costs. If at any time the City in its sole discretion determines that the Analysis Costs will exceed the amount of the Initial Deposit, then Developer shall, within ten (10) days of receipt of written demand from the City, supplement the deposit amount so that the amount remaining on deposit with the City equals all remaining estimated Analysis Costs ("**Deposit Supplement**"). The City may from time to time repeat the process of revising the estimated Analysis Costs and requiring a revised deposit amount from Developer (upon ten (10) days written notice) ("**Further Deposit Supplement**"). If Developer fails to timely provide a Deposit Supplement or Further Deposit Supplement, the City may without further notice cease all work on the CEQA Analysis and order that all consultants, attorneys and third parties do the same ("**Stop Work Order**"). Developer understands and acknowledges that, even if the deposit is fully exhausted, it shall remain fully responsible for Analysis Costs incurred by the City up to the date that the City issues a Stop Work Order.

Developer understands and acknowledges that City shall exercise its sole and absolute discretion in selecting and providing direction to any consultants or other third parties in connection with the CEQA Analysis.

It is anticipated that the CEQA Analysis will be presented to the Menifee City Council for consideration and potential action in the future. Developer and the City understand that the City is reserving the right to exercise its sole and absolute discretion as to all matters over which the City is, by law, entitled or required to exercise discretion. By executing this Initial Deposit Agreement, the City is not committing or agreeing to undertake any activity requiring the subsequent discretion of the City, or any department of the City. The City's execution of this Initial Deposit Agreement is merely an agreement to allow the necessary work to be completed, at Developer's expense, to bring the CEQA Analysis forward for City consideration. Nothing in this Initial Deposit Agreement shall be deemed to constitute a commitment by the City to approve or

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certify the CEQA Analysis, or a prejudgment of the matters required to be considered as part of the decision whether or not to approve the Project.

Please document Developer's concurrence with these terms and limitations by signing below and returning the originally executed letter to me, along with the Initial Deposit.

Very truly yours,

CITY OF MENIFEE

Cheryl Kitzerow, Community Development Director

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Jeffrey Melching, City Attorney

ACCEPTANCE OF INITIAL DEPOSIT AGREEMENT:

DIAMOND BROTHERS, FIVE PARTNERSHIP

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Mr. Ron Sullivan