

City Council Chambers
29844 Haun Road
Menifee, CA 92586



Menifee City Council
Regular Meeting Agenda

Wednesday, June 4, 2025
5:30 PM Closed Session
6:00 PM Regular Meeting

Ricky Estrada, Mayor
Bob Karwin, District 1
Ben Diederich, District 2
Dan Temple, District 3
Dean Deines, District 4

Armando G. Villa, City Manager
Jeffrey T. Melching, City Attorney
Stephanie Roseen, City Clerk

AGENDA

- 10.8 Agreement with Romoland School District for Community Facilities District 2022-2, McLaughlin Village

RECOMMENDED ACTION

1. Adopt a resolution approving a Joint Community Facilities Agreement with Romoland School District relating to Community Facilities District 2022-2, McLaughlin Village and authorizing its execution.



CITY OF MENIFEE

SUBJECT: Agreement with Romoland School District for Community Facilities District 2022-2, McLaughlin Village

MEETING DATE: June 4, 2025

TO: Mayor and City Council

PREPARED BY: Lauri Lockwood, Financial Analyst

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Adopt a resolution approving a Joint Community Facilities Agreement with Romoland School District relating to Community Facilities District 2022-2, McLaughlin Village and authorizing its execution.

DISCUSSION

At the September 21, 2022, City Council meeting, the City adopted resolutions authorizing the formation of Community Facilities District No. 2022-2, McLaughlin Village, of the City of Meniffee ("CFD" or "CFD 2022-2"). The CFD was formed to finance public facilities within the City of Meniffee and the Romoland School District (the "School District") that benefit the residents within the boundaries of the CFD.

The Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California ("The Act") allows the public agency that formed the CFD to enter into a Joint Community Facilities Agreement ("JCFA") with another public agency to finance the cost of public facilities necessitated by development within its boundaries. Pursuant to Section 53316.2(b) of the Act, the JCFA may be approved by two or more public agencies prior to the adoption of a resolution authorizing the issuance of bonds.

The proposed JCFA was originally intended to be presented to the City Council for approval in 2022 when the CFD was formed; however, it was inadvertently omitted at that time. The School District has previously approved the JCFA, so all that remains is for the City Council to formally authorize its execution.

STRATEGIC PLAN OBJECTIVE

Regular City Business

FISCAL IMPACT

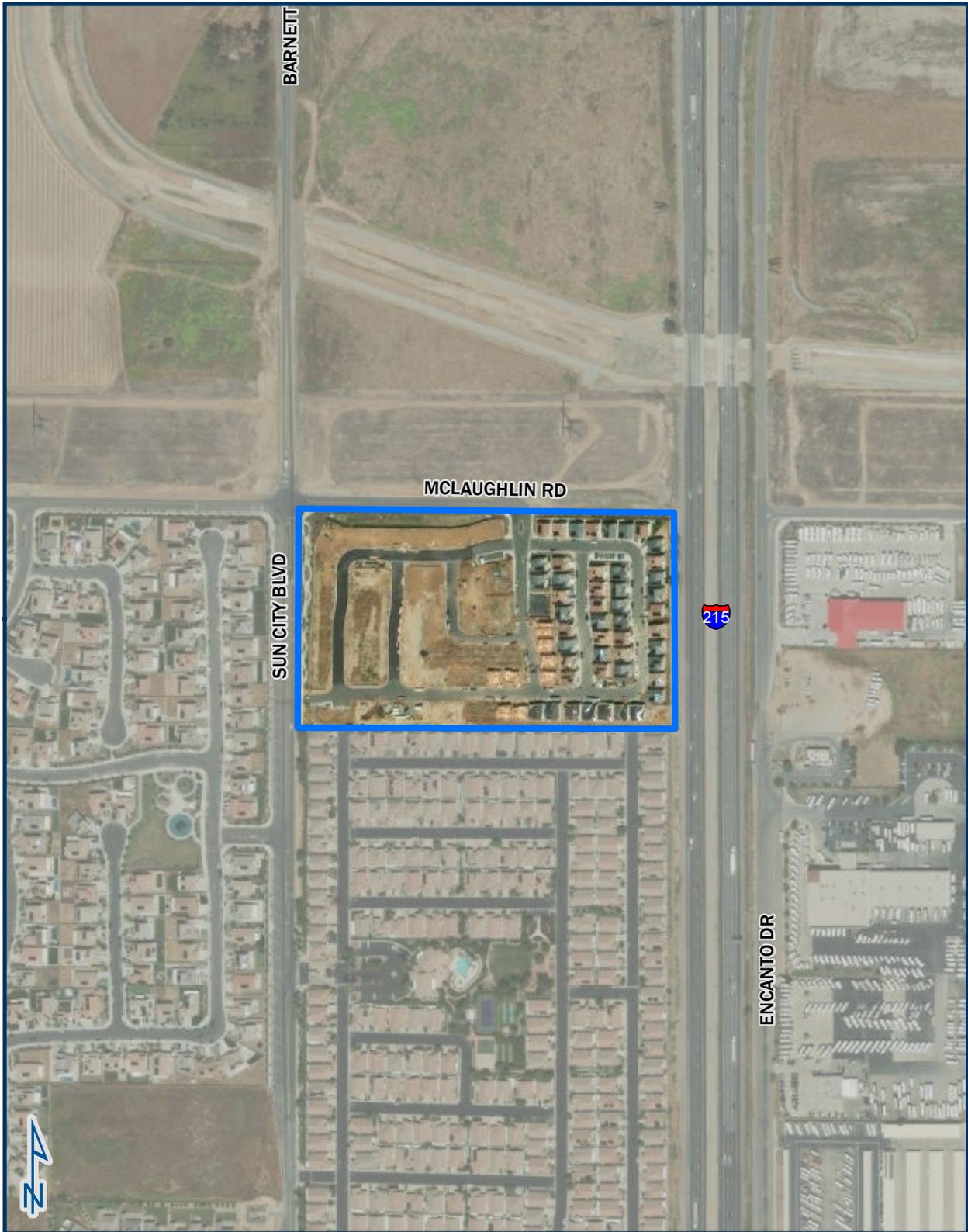
There is no fiscal impact associated with the approval of the JCFA. All payments for school facilities would come from bond proceeds after the CFD bonds are issued. The City is not responsible for payment of principal and interest on the bonds. Special taxes levied on properties within the district would be the source of funds used for those payments.

ATTACHMENTS

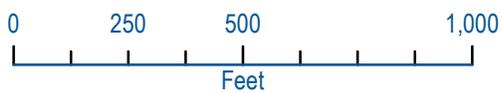
1. Resolution Approving JCFA, CFD 2022-2
2. Joint Community Facilities Agreement for CFD 2022-2

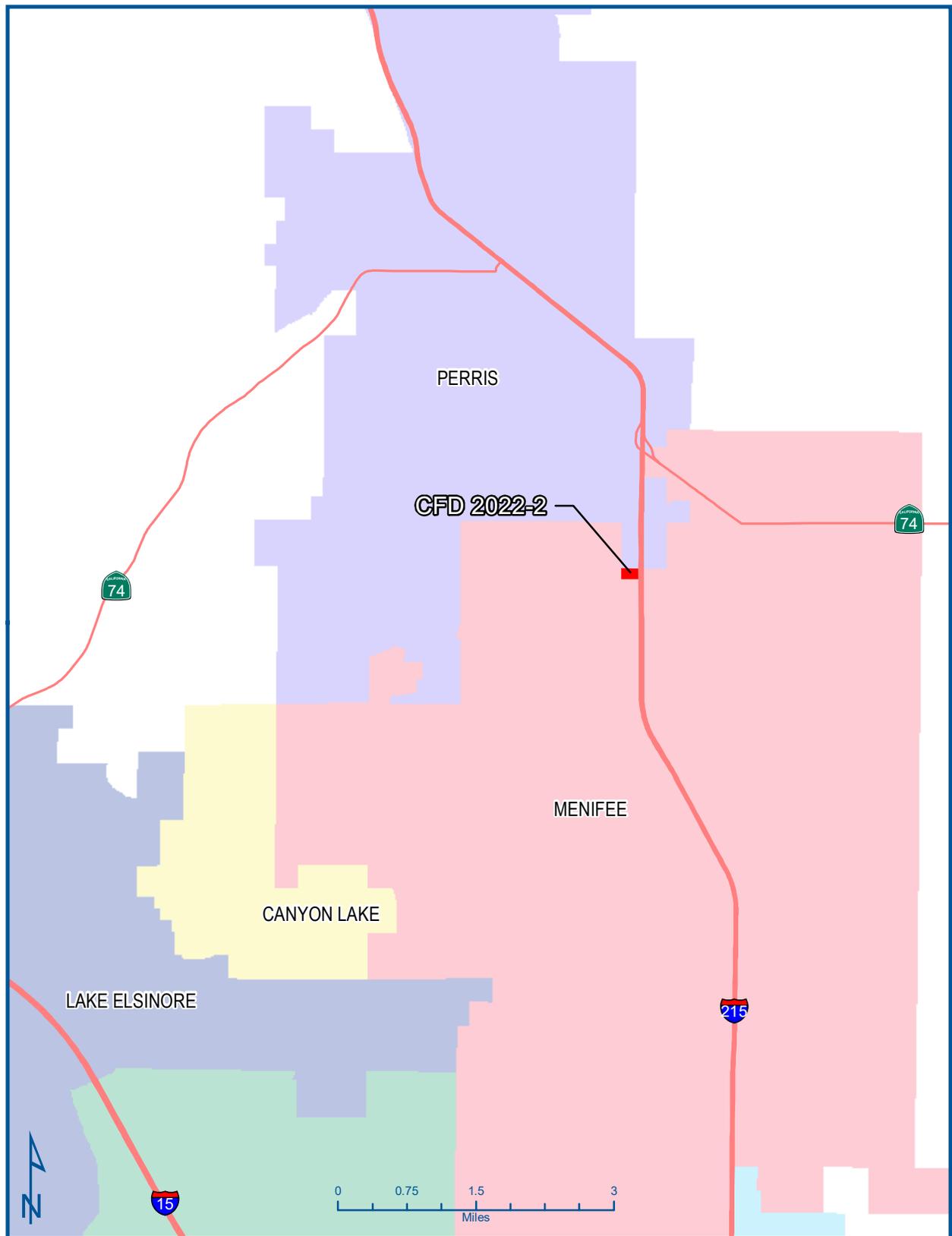
LOCATION MAP

COMMUNITY FACILITIES DISTRICT NO. 2022-2 (MCLAUGHLIN VILLAGE)
CITY OF MENIFEE



 CFD Boundary





REGIONAL MAP
 COMMUNITY FACILITIES DISTRICT NO. 2022-2
 (MCLAUGHLIN VILLAGE)



RESOLUTION NO. 25-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENIFEE APPROVING EXECUTION AND DELIVERY OF A JOINT COMMUNITY FACILITIES AGREEMENT WITH ROMOLAND SCHOOL DISTRICT RELATING TO COMMUNITY FACILITIES DISTRICT NO. 2022-2 (MCLAUGHLIN VILLAGE) OF THE CITY OF MENIFEE

WHEREAS, on September 21, 2022, the City Council (the “City Council”) of the City of Menifee (the “City”) adopted a resolution (the “Resolution of Formation”) authorizing the formation of Community Facilities District No. 2022-2 (McLaughlin Village) of the City of Menifee (“Community Facilities District No. 2022-2” or the “District”), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Act”); and

WHEREAS, pursuant to Section 53316.2 of the Act, a community facilities district is authorized under the Act 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, the City desires to enter into a Joint Community Facilities Agreement (the JCFA”) with the Romoland School District (the “School District”) and Century Communities of California LLC, a Delaware limited liability company, relating to certain facilities proposed to be financed by the District and to be owned and operated by School District.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Menifee, California, hereby determines and orders as follows:

Section 1. Each of the above recitals is true and correct.

Section 2. The form of the JCFA presented at this meeting is hereby approved and each of the Mayor, the City Manager, the Chief Financial Officer, or their written designees is hereby authorized and directed to execute the JCFA in the form hereby approved, with such additions therein and changes thereto as the officer or officers executing the same deem necessary, with such approval to be conclusively evidenced by the execution and delivery of the JCFA. The City Council hereby finds and determines that the JCFA will be beneficial to the residents of the territories served by the School District and included within the jurisdictional boundaries of the District.

Section 3. This Resolution shall be effective upon its adoption.

PASSED, APPROVED AND ADOPTED this the 4th day of June, 2025.

Ricky Estrada, Mayor

Attest:

Stephanie Roseen, City Clerk

Approved as to form:

Jeffrey T. Melching, City Attorney

**COMMUNITY FACILITIES DISTRICT NO. 2022-2
OF THE CITY OF MENIFEE (MCLAUGHLIN VILLAGE)**

**JOINT COMMUNITY FACILITIES AND
SCHOOL FACILITIES MITIGATION AGREEMENT**

THIS JOINT COMMUNITY FACILITIES AND SCHOOL FACILITIES MITIGATION AGREEMENT (“Agreement”) is made and entered into as of the 4th day of June, 2025, by and among the CITY OF MENIFEE, a general law city (the “City”), the ROMOLAND SCHOOL DISTRICT, a California public school district organized and operating pursuant to the applicable provisions of the California Education Code and the California Constitution (the “School District”) and CENTURY COMMUNITIES OF CALIFORNIA, LLC, a Delaware limited liability company (“Property Owner”).

R E C I T A L S:

A. Property Owner is the owner of certain real property (the “Property”) located within the boundaries of the City and School District, consisting of approximately fifteen (15) gross acres within Assessor’s Parcel No. 331-090-008, located south of McLaughlin Road and west of Interstate 215 in the City (the “Property”), and as more fully described in Exhibit “A” attached hereto. Property Owner intends to develop the Property with approximately 126 homes.

B. The development of the Property will require the payment to School District of all or a part of School Fees (defined below) required to finance School Facilities (defined herein). In lieu of the School Fees, the Mitigation Amount (as defined below) is expected to be paid to School District, in whole or in part, from Bond Proceeds (defined below) of the hereinafter described Community Facilities District (the “CFD”). The City Facilities (as defined herein) and School Facilities are sometimes collectively referred to herein as the “Facilities.”

C. Pursuant to Property Owner’s request, the City Council of the City, has formed the hereinafter described Community Facilities District No. 2022-2 (McLaughlin Village) of the City of Menifee (the “CFD”) pursuant to the Act (as defined below) to finance all or a portion of the Facilities. The City will have responsibility for the formation and administration of the CFD.

D. The City is authorized by Section 53313.5 of the Act to finance, by means of the CFD, the School Facilities. This Agreement constitutes a “joint community facilities agreement” (“JCFA”) within the meaning of Section 53316.2 of the Act by and among the City, School District and Property Owner, pursuant to which the CFD will be authorized to finance the School Facilities. Pursuant to Section 53316.2(b) of the Act, a JCFA may be approved by two or more public agencies prior to the adoption of a resolution authorizing the issuance of bonds. As provided by Section 53316.6 of the Act, responsibility for constructing, maintaining and operating the City Facilities is the City’s to the extent set forth herein and responsibility for constructing, providing and operating the School Facilities is delegated to School District.

E. The provision of the City Facilities and School Facilities is necessitated by the development of the Property, and the Parties hereto find and determine that the residents of the City, School District and CFD will be benefited by the financing of the City Facilities and School Facilities, and that this Agreement is beneficial to the interests of such residents.

GENERAL PROVISIONS

Section 1.1 Recitals. The above recitals are true and correct and are hereby incorporated by this reference.

Section 1.2 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, as amended, commencing with California Government Code Section 53311, et seq.

(b) “Agreement” means this Joint Communities Facilities and School Facilities Mitigation Agreement.

(c) “Alternative Level 3 Fee” means the school fee authorized to be levied by School District pursuant to Government Code Section 65995.7.

(d) “Bond Proceeds” shall mean those net funds generated by the sale of the Bonds.

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

(f) “Bonds” shall mean those bonds, or other securities, issued by or on behalf of the CFD, as authorized by the qualified electors within the CFD.

(g) “Building Square Feet/Footage” or “BSF” means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space in a Unit, as determined by reference to the building permit(s) application for such Assessor’s Parcel.

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

(i) “Certificates of Compliance” means those certificates issued by School District pursuant to Education Code Section 17620(b) to Property Owner certifying that Property Owner has paid the Deposit in order to obtain a building permit for a Unit.

(j) “CFD” means Community Facilities District No. 2022-2 (McLaughlin Village) of the City of Menifee.

(k) “City Facilities” means certain City facilities including, but not limited to fire and safety facilities, street, storm drainage, general government and public use facilities, master planning facilities, park facilities, traffic signals, and utility undergrounding necessary to serve the Property.

(l) “COC Credit Amount” means the amount deposited in the School Fee Fund not previously allocated to the mitigation of Units.

(m) “Deposits” shall mean all amounts advanced to School District by Property Owner prior to the issuance and sale of the Bonds, as security for the future payment, with Bond

Proceeds, of the Mitigation Amounts due in connection with Certificates of Compliance issued by School District for Units within the CFD prior to the issuance and sale of the Bonds and the funding of the School Fee Fund.

(n) “Disbursement Request” means a request for payment relating to School Facilities in the form attached hereto as Exhibit “B.”

(o) “Fiscal Year” means the period commencing July 1st and ending the following June 30th.

(p) “Level 1 Fee” means the school fee authorized to be levied by School District pursuant to Government Code Section 65995.

(q) “Level 2 Fee” means the school fee authorized to be levied by School District pursuant to Government Code Section 65995.5.

(r) “Mitigation Amount or Amounts” means for each Unit, on the date of calculation, the greater of (i) \$10,500, (ii) (a) 150% of the Level 1 Fee or Level 2 Fee then in effect if the Unit is less than 3,000 BSF, (b) 145% of the Level 1 Fee or Level 2 Fee then in effect if the Unit is 3,000 BSF to 3,500 BSF, and (c) 140% of the Level 1 Fee or Level 2 Fee then in effect if the Unit is greater than 3,500 BSF, or (iii) the Alternative Level 3 Fee, if any, then in effect and applicable to Units at the time of the request for Certificates of Compliance for such Units. The Mitigation Amount for Units shall be calculated at the time of the request for Certificates of Compliance for such Units except that the Mitigation Amount funded by the COC Credit Amount shall be calculated as of the date of the sale of the applicable series of Bonds.

(s) “Party” or “Parties” shall mean any one or all of the parties to this Agreement and the CFD.

(t) “Property” means the real property described in Exhibit “A” attached hereto.

(u) “Rate and Method” means the individual Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of special taxes pursuant to proceedings undertaken for the formation of the CFD pursuant to the Act.

(v) “School Facilities” means those K-8 school sites, preschool facilities, school facilities, including classrooms, multi-purpose facilities, administration and auxiliary space at school facilities, athletic fields, playgrounds and recreational facilities and improvements thereto, landscaping, access roadways, drainage, sidewalks and gutters and utility lines, furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five (5) years needed by School District, and also includes costs associated with the maintenance and operation of school facilities in accordance with the Act.

(w) “School Fee Fund” means the fund(s), account(s) or sub-account(s) of the CFD (regardless of its designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance the School Facilities.

(x) “School Fees” means those school mitigation fees pursuant to Education Code Section 17620 and Government Code Sections 65995, 65995.5 and 65995.7 required to finance School Facilities.

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

(z) “Special Taxes” means the special taxes authorized to be levied and collected pursuant to the Rate and Method.

(aa) “Unit” means each separate single family detached dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

ARTICLE II

FORMATION OF THE CFD AND ISSUANCE OF BONDS

Section 2.1 Formation of the CFD. The City, pursuant to the written request of the Property Owner, initiated proceedings pursuant to the Act for the formation of the CFD, the authorization of the Special Taxes within the CFD and the authorization of Bonds on behalf of the CFD, with the qualified electors approving the levy of the Special Taxes and the sale of the Bonds.

Section 2.2 Mitigation Amount Deposits. Subsequent to the execution of this Agreement and prior to School District’s receipt of Bond Proceeds, Property Owner may obtain Certificates of Compliance for Units within the CFD by posting Deposits equivalent to the Mitigation Amount.

Deposits posted prior to the issuance of Bonds will be held unexpended by School District and then released to Property Owner upon the sale of Bonds to the extent the Mitigation Amounts for such Units (based on the Mitigation Amount in effect at the time the final Certificate of Compliance was issued for each respective Unit) have been satisfied by the deposit of Bond Proceeds in the School Fee Fund. After the issuance of the last series of Bonds (other than Bonds issued for refunding purposes only), to the extent that all Bond Proceeds deposited into the School Fee Fund are not sufficient to satisfy the Mitigation Amounts for all such Units, the portion of the Mitigation Amounts not satisfied with Bond Proceeds shall be retained from the Deposits and used by School District to construct School Facilities.

Section 2.3 Issuance and Sale of Bonds. The City Council of the City, acting as the legislative body of the CFD, may, in its sole discretion, in accordance with its adopted policies, adopt the Bond Resolution and issue the Bonds. Prior to the City Council of the City adopting the Bond Resolution, Property Owner shall notify School District of: (i) the estimated issuance date for the Bonds and (ii) the estimated amount of proceeds to be deposited in the School Fee Fund.

Section 2.4 Bond Proceeds. In the event that the CFD is formed and Bonds are issued, the City, or the CFD (as may be applicable), and Property Owner shall determine the amount of Bond Proceeds to be deposited into the School Fee Fund or any applicable accounts or subaccounts thereof. As Bond Proceeds are transferred to School District, Property Owner shall receive a credit in the amount transferred against the payment of the Mitigation Amounts. The purpose of this Agreement is to provide a mechanism by which the CFD may levy Special Taxes and issue Bonds to provide a source of funds to finance School Facilities in lieu of the payment of the Mitigation Amounts. In the event that Bond Proceeds, including investment earnings thereon, are not available or sufficient to satisfy the obligation for the Mitigation Amounts for all Units in the CFD, then Property Owner shall remain obligated to make Deposits or pay the Mitigation Amounts to School District as provided in Section 2.5 below.

Section 2.5 Mitigation Payment Credit Account.

(a) After being notified by Property Owner that Bond Proceeds have been deposited into the School Fee Fund, School District will calculate the COC Credit Amount and establish a credit account (“Credit Account”) in the amount equal to the Bond Proceeds deposited in the School Fee Fund less the total of the Mitigation Amounts for all Units for which Deposits have been made based on the Mitigation Amount in effect at the time such Deposits were made.

(b) Once the Credit Account has been established, Property Owner may obtain Certificates of Compliance for Units within the CFD by requesting that School District deduct from the Credit Account the Mitigation Amount for which the Certificate of Compliance is being sought. In the event that there is an insufficient balance in the Credit Account to cover a request for a Certificate of Compliance, Property Owner may only obtain a Certificate of Compliance by paying the remaining Mitigation Amount in cash.

Section 2.6 Disbursements for School Facilities.

(a) Bond Proceeds of the CFD designated for the funding of School Facilities shall be held by the CFD in the School Fee Fund which shall be invested by the City and earn and accumulate its own interest. In the event that the CFD has deposited Bond Proceeds to the School Fee Fund, the City shall notify the School District and the Property Owner, in writing, as to the amount of Bond Proceeds so deposited and the yield on the Bonds. All interest earnings on amounts in the School Fee Fund shall remain in the School Fee Fund and will be available for disbursement for the funding of School Facilities as described below.

(b) The City shall make disbursements from the School Fee Fund in accordance with the terms of this Agreement and neither the City nor the CFD shall be responsible to the School District for costs incurred by the School District as a result of withheld or delayed payments.

(c) The School District agrees that it will request a disbursement of Bond Proceeds only for costs related to the School Facilities that are eligible for financing under the Act. The School District agrees that prior to requesting payment from the CFD it shall review and approve all costs included in its request and will have already paid such costs of School Facilities from its own funds or will disburse such amounts to pay the costs of the School Facilities within five banking days of receipt of funds from the CFD. In the event that the School District does not disburse any Bond Proceeds received for disbursement to third parties within five banking days of receipt, it will trace and remit to the CFD from which such Bond Proceeds were received all earnings, if any, earned by the School District in excess of the yield on the Bonds, from the date of receipt of such Bond Proceeds by the School District to the date of expenditure by the School District of such Bond Proceeds for capital costs of the School Facilities. Such remittance, if any, shall occur on the earlier of the date of expenditure of such Bond Proceeds or each anniversary date of the transfer of such Bond Proceeds from the CFD to the School District. The School District agrees that in processing the above disbursements it will comply with all legal requirements for the expenditure of Bond Proceeds under the Act and the Internal Revenue Code of 1986 and any amendments thereto. As a condition to receiving any proceeds of the Bonds, the School District agrees that it shall provide to the CFD, a certificate confirming the representations contained in this Section 2.6 and such other matters as the CFD may reasonably request upon which the CFD and its bond counsel may rely in connection with the issuance of such Bonds and their conclusion that interest on such Bonds is not included in gross income for federal income tax purposes.

(d) The School District agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. The School District will, upon request, provide to the CFD and the City its annual financial report certified by an independent certified public accountant and any other documents deemed necessary by the CFD and the City for purposes of calculating the CFD's arbitrage rebate obligations. The CFD and the City shall have the right to conduct their own audit of the School District's records related to the expenditure of the Bond Proceeds disbursed to the School District at reasonable times during normal business hours.

(e) From time to time, the School District or Property Owner may submit a Disbursement Request along with adequate supporting documentation to the CFD, for the exact amount of Bond Proceeds to be disbursed to the School District. Upon receipt of an approved Disbursement Request completed in accordance with the terms of this Agreement, the City shall wire transfer (or otherwise pay) such portion of requested funds as are then available for release in the School Fee Fund pursuant to the documents pursuant to which the Bonds are issued to the School District's bank account, as directed by the School District.

(f) If five (5) years following the issuance of the Bonds, 85% or more of the amount deposited into the School Fee Fund from proceeds of such Bonds have not been expended for federal tax law purposes, the CFD may in its sole discretion transfer such funds to such other account in the sole discretion of the CFD to be used to pay for the costs of eligible public facilities or to the redemption fund to redeem Bonds; provided, however that such funds may be retained in the School Fee Fund beyond such five year period upon the written request of the School District, and delivery by the School District of an opinion of bond counsel that such extension will not affect the exclusion from gross income of interest on such Bonds issued on a tax-exempt basis. City shall provide School District with written notice at least six months prior to making any transfer pursuant to this Section 2.6(f).

Section 2.7 Responsibility for Mitigation Amounts.

(a) The Parties hereto acknowledge and agree that the final responsibility for the payment of the Mitigation Amounts not funded with Bond Proceeds lies with Property Owner.

(b) If the amounts derived from Bond Proceeds for School Facilities deposited in the School Fee Fund, including investment earnings thereon, if any, are not sufficient to fund the total cost of the Mitigation Amounts, the Parties hereto agree that all responsibility and liability for the amount of such shortfall shall be and remain with Property Owner, and shall not lie with the CFD, School District, or the City.

(c) School District agrees to utilize or apply funds provided to it by the CFD, in accordance with the Act, the Local Agency Special Tax and Bond Accountability Act (described in Section 4.1 hereof), the requirements of federal tax law compliance with which is necessary in order for interest on the Bonds to be excluded from the gross income of the recipients for federal income tax purposes and other applicable law, and as set forth herein.

(d) School District shall indemnify, defend, and hold harmless, the City, CFD and Property Owner, 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 the violation by School District of any of

the terms of this Agreement of the design, engineering, and construction of the School Facilities and any other facilities constructed with the proceeds of the Mitigation Amounts.

Section 2.8 Mitigation of School Fee Obligations of Development of the Property. Property Owner and School District agree that payment of the Mitigation Amount to School District with respect to any Unit for which a Certificate of Compliance is requested within the Property, whether with CFD Bond Proceeds or otherwise, shall constitute full mitigation of the obligations due School District in connection with the issuance of a Certificate of Compliance with respect to such Unit.

School District shall have no obligation, responsibility, or authority with respect to the issuance and sale of the Bonds, the Bond Proceeds available to finance the construction of School Facilities, the payment of the principal and interest on the Bonds, or for the levy of the Special Taxes to provide for the payment of principal and interest thereon. The City shall have the sole authority and responsibility for all such matters.

The Parties hereto specifically agree that, except as otherwise provided for in Section 2.4, the liabilities of the CFD, including liabilities, if any, of the CFD pursuant to the documents providing for the issuance of Bonds, including the Bond Resolution, shall not be or become liabilities of School District.

Section 2.9 Waiver of State and Local Funding Credits and Right to Protest. In consideration of School District's agreement with respect to the Property to accept the Mitigation Amounts as full mitigation of the impact of the students generated by the development of the Property upon the School Facilities, and provided School District does not breach such agreement, Property Owner agrees to waive all past, present and future credit against, or fair share reduction in, Mitigation Amounts based upon State matching funding provided to School District or the proceeds from a District-wide special tax or general obligation bond authorization, or School Facilities Improvement District ("SFID") bond authorization for school facilities. In addition, Property Owner knowingly waives its right of protest as may be afforded by Government Code Section 66020 or any other provision of law, so long as School District is not in breach of this Agreement..

Section 2.10 Property Owner Advance. Property Owner has deposited with School District the amount of \$10,000 to be used to advance fund School District's costs in entering into and administering the terms of this Agreement. Such advance by Property Owner may be reimbursed, subject to the approval of the City, from the proceeds of the sale of the Bonds, but under no circumstances shall School District be obligated to pay Property Owner from any other source of funds. Should this Agreement not be approved for any reason, any remaining balance of the amounts advanced by Property Owner pursuant to this Section shall be refunded to Property Owner within ten (10) business days after School District is notified that this Agreement will not be approved.

Section 2.11 Administration of the CFD. The City shall have the power and duty to provide for the administration of the CFD, subject to the terms hereof and the Bond Resolution, including employing and compensating all consultants and providing for the various other administration duties set forth in this Agreement. It is understood and agreed by Parties hereto that School District was not or will not be considered a participant in the proceedings relative to formation of the CFD or the issuance of the Bonds, other than as set forth in this Agreement.

ARTICLE III

TERM AND TERMINATION

Section 3.1 Effective Date. This Agreement shall become effective and of full force and effect as of the date (“Effective Date”) it is approved and executed by the Board of Trustees of School District, by Property Owner and the City Council of the City, to be confirmed by the execution hereof by the authorized representatives of the Parties hereto.

ARTICLE IV

ADDITIONAL GENERAL PROVISIONS

Section 4.1 Recordkeeping; Inspection of Records. School District hereby agrees to keep and maintain full and accurate records of all amounts, if any, paid to School District for Mitigation Amounts and investment earnings thereon and the City or the CFD, or the Fiscal Agent on their behalf, hereby agrees to keep and maintain full and accurate records of all amounts, and investment earnings, if any, disbursed to School District from the School Fee Fund. Each Party further agrees to make such records available to any other Party hereto, including Property Owner, during normal business hours upon reasonable prior notice. All such records shall be kept and maintained by the appropriate Party as provided by applicable law and their respective policies. School District and Property Owner agree that they will cooperate with the CFD and the City in providing documentation, reports or other data reasonably required and requested by the City or the CFD in meeting the reporting requirements of the CFD under Sections 50075.1, 50075.3, and 50075.5 and Article 1.5 (commencing with Section 53410) of Chapter 3 of Part 1 of Division 2 of Title 5 of, the Government Code (collectively, the “Local Agency Special Tax and Bond Accountability Act”). School District’s reporting obligations pursuant to this Section shall be limited to providing reports or other data detailing the following: (A) the amount of CFD funds received by School District to fund School Facilities, (B) the amount of such CFD funds deposited in separate funds or accounts of School District reflecting Mitigation Amounts and the number of dwelling units for which such Mitigation Amounts apply, and (C) School Facilities that have been acquired or constructed, in whole or in part, with CFD funds. School District’s reporting obligation shall terminate when all CFD funds have been disbursed from the School Fee Fund, or from any account or subaccount thereof that has been allocated Bond Proceeds to finance Mitigation Amounts, and School District has provided to the City a report for the last disbursement received by School District. If no CFD funds have been received by School District or used to finance School Facilities since the previous report, no report shall be required and the City may rely upon the previous reports.

Section 4.2 Indemnification.

(a) The City agrees to indemnify, defend and hold harmless School District, and its officers, employees and agents, and each and every one of them, from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys’ fees and court costs which the School District, or its officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from School District, or its respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the acquisition, construction, installation, operation, maintenance or utilization of the City Facilities, the issuance of the Bonds and/or the formation or administration of the CFD. If the City fails to do so, School District shall have the right, but not the obligation, to defend the same and

charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the City.

No indemnification is required to be paid by the City for any claim, loss or expense arising from the willful misconduct or negligence of the School District, or its officers, employees or agents.

(b) Property Owner agrees to indemnify, defend and hold harmless the City, the CFD and the School District, and their respective officers, employees and agents, and each and every one of them, from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees and court costs which the City, the CFD or the School District, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the City, the CFD or the School District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of any act or omission of Property Owner with respect to this Agreement, the formation of the CFD or the use of the Bond funds. If Property Owner fails to do so, the City, the CFD and the School District shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from Property Owner.

No indemnification is required to be paid by Property Owner for any claim, loss or expense arising from the willful misconduct or negligence of the City (if indemnification is sought by the City), the CFD (if indemnification is sought by the CFD) or the School District (if indemnification is sought by the School District), or their respective officers, employees or agents (if indemnification is sought thereby).

Section 4.3 Partial Invalidity. 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.

Section 4.4 Successors and Assigns. Property Owner may assign its rights pursuant to this Agreement to a purchaser of the Property, or any portion thereof, and such purchaser and assignee shall assume the obligations of Property Owner pursuant to this Agreement and to be bound thereby. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

Section 4.5 Notice. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any Party or other person shall be deemed to have been received when personally delivered or upon deposit of the same in the United States Post Office registered or certified, postage prepaid, addressed as follows:

City: City of Menifee
29844 Haun Road
Menifee, CA 92586
Attention: Chief Financial Officer

School District: Romoland School District
25900 Leon Road
Homeland, California 92548
Attention: Superintendent

With a copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Bradley R. Neal, Esq.

Property Owner: Century Communities of California, LLC
4695 MacArthur Court, Suite 300
Newport Beach, California 92660
Attention: Brian Taylor

Each Party can change its address for delivery of notice by delivering written notice of such change of address to the other Parties within ten (10) calendar days prior to such change.

Section 4.6 Captions. The captions to Sections used herein are for convenience purposes only and are not part of this Agreement.

Section 4.7 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and performed in said State.

Section 4.8 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.

Section 4.9 Amendments. This Agreement may be amended or modified only in writing executed by the authorized representative(s) of each of the Parties hereto.

Section 4.10 Waiver. The failure of any Party hereto to insist on compliance within any of the terms, covenants or conditions of this Agreement by any other Party hereto, shall not be deemed a waiver of such terms, covenants or conditions of this Agreement by such other Party, nor shall any waiver constitute a relinquishment of any other right or power for all or any other times.

Section 4.11 Cooperation and Execution of Documents. The Parties hereto agree to complete and execute any further or additional documents which may be necessary to complete or further the terms of this Agreement.

Section 4.12 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.

Section 4.13 Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference.

<i>Exhibit</i>	<i>Description</i>
"A"	Property Description
"B"	Disbursement Request Form

Section 4.14 Signatories. The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

Section 4.15 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Community Facilities and School Facilities Mitigation Agreement as of the day and year written above.

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

By: _____
Armando G. Villa, City Manager

ATTEST:

By: _____
Stephanie Roseen, City Clerk

APPROVED AS TO FORM:

CITY ATTORNEY OF THE CITY OF MENIFEE

By: _____
Jeffrey T. Melching, City Attorney

(SIGNATURE PAGES CONTINUE ON NEXT PAGE)

Property Owner:

CENTURY COMMUNITIES OF CALIFORNIA,
LLC, a Delaware limited liability company

By: Justin Brewer
Its: Authorized Signor

(SIGNATURE PAGES CONTINUE ON NEXT PAGE)

ROMOLAND SCHOOL DISTRICT

By: _____
Superintendent

ATTEST:

By _____
Clerk of the Board of Trustees

EXHIBIT "A"

PROPERTY DESCRIPTION

PROPOSED BOUNDARY MAP
COMMUNITY FACILITIES DISTRICT NO. 2022-2
(McLAUGHLIN VILLAGE)
CITY OF MENIFEE,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

SHEET 1 OF 1 SHEET

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2022-2 (McLAUGHLIN VILLAGE), CITY OF MENIFEE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MENIFEE AT A REGULAR MEETING THEREOF HELD ON ____ DAY OF ____ 20____ BY RESOLUTION NO. _____

CITY CLERK _____
 CITY OF MENIFEE

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

CITY CLERK _____
 CITY OF MENIFEE

RECORDED THIS ____ DAY OF ____ 20____ AT THE HOUR OF ____ O'CLOCK ____ M IN BOOK ____ PAGE ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE: _____ NO.: _____
 PETER ALDANA, ASSESSOR, COUNTY CLERK, RECORDER

BY: _____ DEPUTY

McLAUGHLIN RD

331-086-008

BARNETT RD

ENGANTO DR

LEGEND

--- C-BOUNDARY

--- PARCEL LINE

--- CITY BOUNDARY

--- ASSESSOR PARCEL NUMBER

THIS BOUNDARY MAP CORRECTLY SHOWS THE BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT FOR DETAILS OF THE CITY OF MENIFEE. THE MAPS FOR PARCEL REFER TO THE COUNTY ASSESSOR'S MAPS FOR FISCAL YEAR 2022-23.

 SPECIAL CONSULTING

0 250 500 1,000 Feet



EXHIBIT "B"

DISBURSEMENT REQUEST FORM

1. Community Facilities District No. 2022-2 of the City of Menifee (McLaughlin Village) ("CFD No. 2022-2") is hereby requested to pay from the School Fee Fund, or any applicable account or subaccount thereof, established by CFD No. 2022-2 in connection with its Special Tax Bonds (the "Bonds") to Romoland School District ("Romoland"), as payee, the sum set forth below:

\$ _____ (the "Requested Amount")

2. The Requested Amount is due and payable, has not formed the basis of any prior request or disbursement and is being made with respect to the obligation of the Property to pay Mitigation Amounts to MUSD.

3. The Requested Amount is authorized and payable pursuant to the terms of that certain Joint Community Facilities Agreement, dated as of _____, 2023, by and among the City of Menifee, Romoland School District, Century Homes of California, LLC, a Delaware limited liability company (the "JCFA").

4. Capitalized undefined terms used herein shall have the meanings ascribed to them in the JCFA.

Date: _____

CENTURY HOMES OF CALIFORNIA, LLC, a
Delaware limited liability company

By: _____
Its: Authorized Signatory

Date: _____

ROMOLAND SCHOOL DISTRICT

By: _____
Its: _____