

REIMBURSEMENT AGREEMENT

RE PROPOSED

COMMUNITY FACILITIES DISTRICT NO. 2025-4 (RUSTIC MEADOWS) OF THE CITY OF MURRIETA

THIS REIMBURSEMENT AGREEMENT RE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2025-4 (RUSTIC MEADOWS) OF THE CITY OF MURRIETA (the "Agreement") dated June 3, 2025, is entered into by and between the City of Murrieta, a general law city organized and existing under the laws and constitution of the State of California (the "City"), and Century Communities of California, LLC, a Delaware limited liability company (the "Developer").

RECITALS:

A. The Developer is under contract to purchase and expects to develop approximately 9.99 acres of land described in Exhibit A attached hereto (the "Property") for which the Developer desires to include within proposed Community Facilities District No. 2025-4 (Rustic Meadows) of the City of Murrieta (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, 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 begin the process of analyzing the potential formation of the District, the Developer has advanced to the City a sum totaling \$80,000. 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 to pay 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 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. The 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 of amounts previously advanced by the Developer and expended by the City in accordance with this Agreement.

3. Reimbursement Procedure. Whether the District is not formed or the District is abandoned, or for any other purpose, the City shall return any funds which have been advanced by the Developer which 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 Century Communities of California, LLC
4695 MacArthur Court, Suite 300
Newport Beach, CA 92660
Attn: Justin Brewer, Executive Vice President
Email: justin.brewer@centurycommunities.com

With a copy to: O'Neil LLP

Attn: John Yeager
19800 MacArthur Blvd., Suite 650
Irvine, California 92612
Telephone: 949-798-0722

City: City of Murrieta
1 Town Square
Murrieta, CA 92562
Attn: Director of Finance
Telephone: (951) 461-6090
Email: jcarcamo@murrietaca.gov

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

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

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

By: _____
Justin Clifton, City Manager

ATTEST:

By: _____
Cristal McDonald, City Clerk

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

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

CITY ATTORNEY

By: _____
Tiffany Israel, City Attorney

DESCRIPTION OF PROPERTY



SPICER
CONSULTING GROUP