

CONSTRUCTION REIMBURSEMENT AGREEMENT

CITYWIDE DEVELOPMENT IMPACT FEE PROGRAM

EUCLID AVENUE IMPROVEMENTS TRACT MAP NO. 18972

(Traffic Signals at Edison and Eucalyptus Intersections, and 16-Inch Water Line Installation)

This CONSTRUCTION REIMBURSEMENT AGREEMENT (“**Agreement**”) is entered into this 16th day of September, 2025 (“**Effective Date**”), by and between CITY OF CHINO, a California municipal corporation (“**City**”), and LENNAR HOMES OF CALIFORNIA, LLC, a California limited liability company (“**Developer**”). City and Developer are sometimes hereinafter referred to individually as “**Party**” and jointly as “**Parties**”.

RECITALS

A. Developer is the owner of certain real property identified as Tract Map No. 18972, consisting of approximately 20.8 acres located at the northwest corner of Eucalyptus Avenue and Euclid Avenue. The final map created one lot for the development of 147 detached condominium units and is in substantial conformance with Tentative Tract Map No. 18972, which was conditionally approved by the Planning Commission on December 21, 2015 (“**Project**”).

B. Developer has requested from City certain entitlements and/or permits for the Project, and City has granted the entitlements and/or permits subject to certain conditions of approval which required certain public improvements to be constructed in excess of those applicable to the Project (“**Conditions of Approval**”).

C. The Conditions of Approval also required Developer to pay Development Impact Fees (“**DIFs**”), as established in 3.40 of the Chino Municipal Code (“**DIF Ordinance**”). The DIFs have been established by City to finance public facilities in furtherance of the goals and objectives of City’s general plan, various facility master plans, capital improvement plans, and the nexus reports described in the DIF Ordinance (“**Nexus Reports**”).

D. Developer has elected to construct the Euclid Avenue improvements, specifically including the installation of traffic signals at the intersections of Edison Avenue and Eucalyptus Avenue, and the installation of a 16-inch water line, as required by the Conditions of Approval (**collectively, the “Public Improvements”**) as identified on Exhibit A.

E. The DIF Ordinance provides that if, as a condition of approval of a development project, a developer constructs a public facility identified in the Nexus Reports, for which a development impact fee is imposed, Developer shall be eligible to receive a fee credit toward the DIFs imposed on the Project for the same type of public facility so constructed, and shall be entitled to reimbursement for eligible costs of constructing the public facility, provided that developer complies with the requirements of the DIF Ordinance as it may be amended from time to time.

F. City and Developer desire to enter into this Agreement for the following purposes: (i) to provide for the timely construction and completion of the Public Improvements, (ii) to ensure that construction of the Public Improvements is undertaken in accordance with the Plans and Specifications, and the laws and ordinances pertaining to the construction of public improvements, (iii) to provide the methodology for establishing the reimbursement amounts to which Developer may be entitled after completion of the Public Improvements (“**Reimbursement**”); and (iv) the requirements for Developer’s transfer or application of all or any portion of the Reimbursement to third party.

NOW, THEREFORE, for the purposes set forth herein, Developer and City hereby agree as follows:

AGREEMENT:

1. **Incorporation of Recitals.** The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2. **Construction of Public Improvements.** Developer constructed, at its own cost and expense (with contribution from Chino Preserve Development Corporation), the Public Improvements in accordance with the Plans and Specifications and the provisions of this Agreement. Developer provided all equipment, tools, materials, labor, tests, design work, and engineering services necessary to fully and adequately complete the Public Improvements in a good and workmanlike manner. Developer has constructed the Public Improvements in accordance with Public Contract Code and complied with all applicable provisions of California law, including but not limited to the prevailing wage provisions contained in the Labor Code.

3. **Indemnification.** Developer shall defend, indemnify, and hold harmless City, its elected officials, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental agency, arising out of or incident to any acts, omissions, negligence or willful misconduct of Developer in connection with the performance of this Agreement (“**Claims**”). This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any Claim which is caused solely and exclusively by the negligence or willful misconduct of City, as determined by a court or administrative body of competent jurisdiction. Developer’s obligation to indemnify shall terminate at such time as the Public Improvements are accepted by City.

4. Upon the City’s acceptance of the Public Improvements on November 15, 2022, the City assumed full responsibility for the maintenance, operation, and control of the Public Improvements. Accordingly, the Developer shall bear no further obligation or liability with respect to the maintenance or repair of said Public Improvements, the applicable warranty period having duly expired.

5. DIF Credit and Reimbursement.

5.1 **DIF Ordinance Reimbursement or Credit Amount.** The City Engineer has determined that the total cost of the Improvements that are eligible for credit or reimbursement pursuant to Chino Municipal Code Chapter 3.40 is One Million Seventy-Three Thousand Eight Hundred Ninety-Two and 16/100 Dollars (\$1,073,892.16) (**the “Total DIF Cost”**).

5.2 Of the Total DIF Cost, the Developer has applied a project DIF credit in the amount of One Hundred Thirty-Three Thousand Six Hundred Fifty-Seven Dollars (\$133,657.00) toward the Citywide DIF Water component, and a project credit in the amount of Three Hundred Eighty-Seven Thousand Two Hundred Sixteen Dollars (\$387,216.00) toward the Citywide DIF Circulation component (**collectively, “DIF Credits”**). The DIF Credits have been applied in accordance with Section 3.40.110.B of the Chino Municipal Code. The DIF Credit allocations are detailed in *Exhibit B*, titled “Tract Map No. 18972 DIF Costs and Credit Reconciliation,” which is attached hereto and incorporated herein by reference.

5.3 **Remaining Reimbursement and Project Credit.** An amount equal to the Total DIF Cost as shown in Column 3 of Exhibit B, as confirmed by the City Engineer, less the Project DIF Credits of

\$520,873 shown in Column 4 of Exhibit B (the “**DIF Amount**”) remains to be returned to Developer as a DIF reimbursement in the amount of \$250,428 from the Citywide DIF Water component and \$302,591.16 from the Citywide DIF Circulation component as shown in column 5 of Exhibit B (collectively, “**DIF Reimbursement**”). The City Engineer and Developer agree that (i) the DIF obligation of the Project has been satisfied through the construction of the Public Improvements and receipt of the DIF Credits; (ii) the documentation substantiating the construction costs of the Public Improvements in compliance with the provisions of this Agreement is complete; and (iii) the Developer is eligible to receive the DIF Reimbursement amount set forth in Exhibit B. The City shall pay the DIF Reimbursement to the Developer for the respective fee component in accordance with the provisions of the DIF Ordinance. Notwithstanding anything herein to the contrary, the City agrees that the Developer may elect to convert the DIF Reimbursement amount into fee credits, which may be transferred to other projects within the City upon written notice from Developer.

6. Administrative Costs. If Developer fails to comply with any obligation contained herein, Developer shall be jointly and severally liable to City for all administrative expenses, fees, and costs, including reasonable attorneys’ fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

7. Miscellaneous.

7.1 Relationship between the Parties. The Parties hereby mutually agree that this Agreement shall not operate to create the relationship of partnership, joint venture, or agency between City and Developer. Developer’s contractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of City.

7.2 Authority to Enter Agreement. Each person executing this Agreement on behalf of Developer represents and warrants that he or she has the legal power, right and authority to execute this Agreement on behalf of Developer and that this Agreement is binding upon Developer.

7.3 Notices. Any notice, demand, request, consent, approval, or communication either Party desires or is required to give to the other Party or any person shall be in writing and either served personally, communicated electronic mail (with a receipt requested), or sent by prepaid, first-class mail to the address set forth below. Notice shall be deemed communicated immediately upon personal delivery, fax or email receipt, or forty-eight (48) hours from the time of mailing if mailed as provided in this Section:

To City:	City of Chino 13220 Central Ave. Chino, CA 91710 Attn: Director of Public Works Email: hjlee@cityofchino.org
With Copy to:	Aleshire & Wynder, LLP 1 Park Plaza, Suite 1000 Irvine, CA 92614 Attn: Fred Galante, Esq. Email: fgalante@awattorneys.com
To Developer:	c/o Lennar Homes 4140 Temescal Canyon Dr., Ste. 410

Corona, CA 92883
Attn: Geoff Smith
Email: geoffrey.smith@lennar.com

7.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

7.5 Construction; References; Captions. The Parties agree that the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. All references to Developer include all personnel, employees, agents, and contractors of Developer, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

7.6 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and executed by both Parties.

7.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

7.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

7.9 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

7.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

7.11 Governing Law; Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of San Bernardino, California.

7.12 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

7.13 City Officers and Employees. No officer or employee of City shall be personally liable to Developer or any successors in interest in the event of any default or breach by City or for any amount that may become due to Developer or any successor(s) in interest or for breach of any obligation of the terms of this Agreement. No officer or employee of Developer shall be personally liable to City or any successor(s) in interest in the event of any default or breach by Developer or for any amount that may become due to City or their successors in interest or for breach of any obligation of the terms of this Agreement.

7.14 Entire Agreement. This Agreement contains the entire agreement between City and Developer and supersedes any prior oral or written statements or agreements between City and Developer.

7.15 Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A	Location of DIF Eligible Improvements
Exhibit B	DIF Costs and Credit Reconciliation

[SIGNATURES ON FOLLOWING PAGE]

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

DEVELOPER:

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

By: _____
Its: _____

DATED: _____, 2025

CITY:

CITY OF CHINO, a municipal corporation

By: _____
Dr. Linda Reich
City Manager

DATED: _____, 2025

ATTEST:

Natalie Gonzaga, City Clerk

DATED: _____, 2025

APPROVED AS TO CONTENT:

Hye Jin Lee
Director of Public Works

DATED: _____, 2025

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

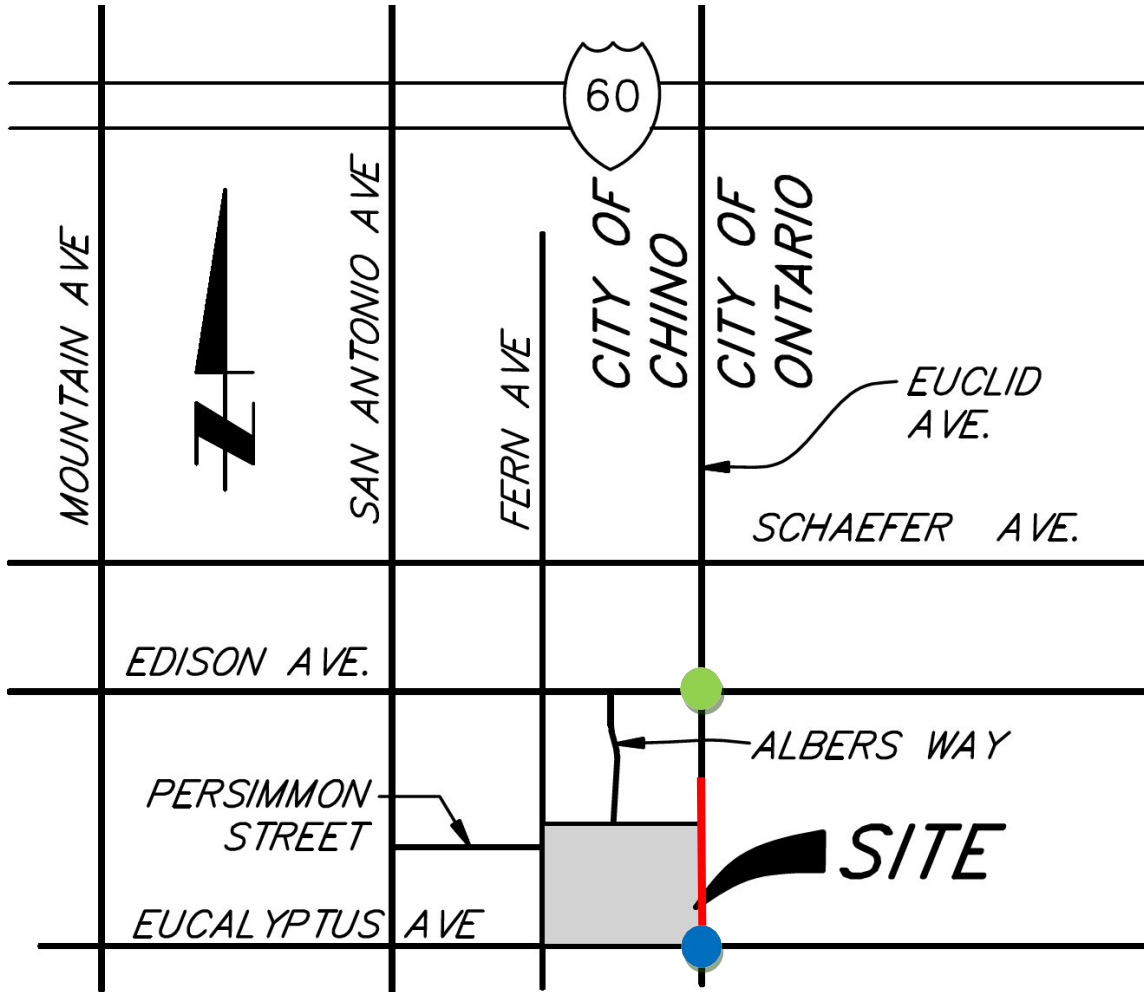
By: _____
Fred Galante, City Attorney

DATED: _____, 2025

DEVELOPER: TWO PERSONS AUTHORIZED BY THE APPLICABLE ENTITY FORMATION DOCUMENTS SHALL EXECUTE THIS AGREEMENT. COPIES OF APPLICABLE DOCUMENTS EVIDENCING SUCH AUTHORITY SHALL BE PROVIDED TO CITY. DEVELOPER SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE APPLICABLE FORMATION DOCUMENTS FOR THE ENTITY.

Exhibit A

Location of DIF Eligible Improvements Tract No. 18972






-  16" Water Line
-  Euclid / Edison Intersection & Traffic Signal
-  Euclid / Eucalyptus Traffic Signal

Exhibit B
Tract Map No. 18972 DIF Costs and
Credit Reconciliation

<u>City DIF Project No.</u>	<u>City Master Facilities Plan Description</u> <i>Column</i>	<u>Max DIF Costs (a)</u> <i>(1)</i>	<u>Dev. Const. Costs (b)</u> <i>(2)</i>	<u>Dev. DIF Credit Eligible Costs (c)</u> <i>(3)</i>	<u>Project DIF Credits Received (d)</u> <i>(4)</i>	<u>City DIF Reimb. Amount (e)</u> <i>(3)-(4)=(5)</i>
TR-008	Traffic Signal - Fern / Eucalyptus	\$296,112.00	\$553,500.00	\$296,112.00	\$296,112.00	\$0.00
TR-012	Traffic Signal - Euclid / Eucalyptus	\$296,112.00	\$212,483.91	\$212,483.91	\$91,104.00	\$121,379.91
Preserve DIF TR-126	Euclid / Edison - Intersection Improv. & Traffic Signal	\$1,075,604.00	\$181,211.25	\$181,211.25	\$0.00	\$181,211.25
TOTAL - STREET COSTS		\$1,667,828.00	\$947,195.16	\$689,807.16	\$387,216.00	\$302,591.16

WT-006	Euclid 16" Water Line	\$2,408,000.00	\$384,085.00	\$384,085.00	\$133,657.00	\$250,428.00
TOTAL - WATER COSTS		\$2,408,000.00	\$384,085.00	\$384,085.00	\$133,657.00	\$250,428.00

TOTAL PROJECT COSTS		\$4,075,828.00	\$1,331,280.16	\$1,073,892.16	\$520,873.00	\$553,019.16
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Notes:

(a) Represents the costs shown in the City's Master Facilities Plan dated January, 2018.

(b) Represents the actual cost of the master plan facilities constructed by the Developer.

(c) Represents the total DIF credit based on the lesser of Developer actual costs eligible for DIF credit or DIF Project cost specified in the Master Facilities Plan.

(d) Represents an amount equal to the DIF fee obligation of the project for which the Developer received DIF credits.

(e) Represents the developer oversizing costs eligible for DIF Reimbursement by the City.