

**FIRST AMENDMENT TO
JOINT COMMUNITY FACILITIES AGREEMENT - CITY**

**TEMECULA PUBLIC FINANCING AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 20-01
(HEIRLOOM FARMS)**

This First Amendment to Joint Community Facilities Agreement - City (the "Amendment"), dated for convenience as of March 1, 2024, is by and between the Temecula Public Financing Authority (the "Authority") and the City of Temecula, California (the "Participating Agency").

R E C I T A L S :

WHEREAS, the Board of Directors of the Authority has formed the Temecula Public Financing Authority Community Facilities District No. 20-01 (Heirloom Farms) (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code, and the Authority intends to issue bonds of the Authority for the CFD (the "Bonds") under the Act in order to finance various public improvements necessitated by the development occurring in the CFD; and

WHEREAS, as required by Section 53316.2 of the Act, the Authority and the Participating Agency have entered into a Joint Community Facilities Agreement - City, dated as of March 1, 2021 (the "JCFA") with respect to improvements to be financed with proceeds of the Bonds to be owned and operated by the Participating Agency (as described in Attachment A to the JCFA, the "City Facilities"), as well as municipal services to be funded by the CFD but provided by the City; and

WHEREAS the Authority and the Participating Agency now desire to enter into this Amendment to change the date on which the JCFA will terminate if the Bonds are not issued by a certain date, and to acknowledge that the Developer (as defined in the JCFA) is a third party beneficiary of the JCFA.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing and mutual covenants set forth below, the parties hereto do hereby agree as follows:

Section 1. Amendment. The JCFA is hereby amended as follows:

(a) Section 7 of the JCFA is hereby amended by deleting "December 31, 2023" in the first sentence thereof, and by inserting therein, in lieu thereof, "December 1, 2025."

(b) The JCFA is hereby further amended by adding thereto, as a new Section 12 thereof the following:

“Section 12. Developer as Third Party Beneficiary; Payments to or for Benefit of the Developer. The Participating Agency hereby acknowledges that, as described in the third and fourth paragraphs of Section 1 of the JCFA, the Participating Agency will provide the Developer with a dollar for dollar credit against City Development Fees owing to the City (and a rebate of City Development Fees as provided in the next paragraph) in respect to the construction of homes in the CFD for every dollar that the Authority provides to the City from the proceeds of the Bonds to pay costs of the City Designated Facilities. The sole source of funds to be used for credits against the City Development Fees shall be amounts in the City Account, and the source of the rebate of City Development Fees as described in the next paragraph shall be the City Development Fees previously paid.

At the time of the issuance of the Bonds, the Developer shall provide the Finance Director of the City with a certificate setting forth the specific amounts and types of City Development Fees theretofore remitted by the Developer to the City, and the specific homes for which the City Development Fees pertained. Upon receipt and review of such certificate, the Finance Director shall be entitled to withdraw from the City Account the aggregate amounts so paid by the Developer to be used by the City to pay costs of City Designated Facilities, and the City shall rebate to the Developer the City Development Fees so paid.

Thereafter, to the extent there are remaining funds in the City Account after taking into account the amount in the City Account not eligible for withdrawal under the preceding paragraph, the City shall from time to time withdraw funds from the City Account to be used to pay costs of City Designated Facilities upon receipt by the Finance Director of the City of certificates of the Developer that identify the specific homes and related City Development Fees for which the Developer would like credit against payment.

Amounts described in the preceding paragraph shall be retained by the City in the City Account and withdrawn by the City to pay costs of City Designated Facilities and the Developer shall receive a dollar for dollar credit against the City Development Fees for the homes as identified in the applicable certificate provided by the Developer. Amounts described in this paragraph for use by the City and to be credited against the City Development Fees shall not exceed the remaining amount in the City Account not taken into account under the second preceding paragraph.

Section 2. Governing Law. The JCFA and this Amendment and any dispute arising thereunder or hereunder shall be governed by and interpreted in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Section 3. Execution in Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original.

Section 4. Reaffirmation of JCFA. Except as hereby expressly amended and as amended by this Amendment, the JCFA shall remain in full force and effect.

* * * * *

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

TEMECULA PUBLIC FINANCING
AUTHORITY (the "Authority")

By: _____
Aaron Adams,
Executive Director

CITY OF TEMECULA, CALIFORNIA (the
"Participating Agency")

By: _____
Aaron Adams,
City Manager

Acknowledged and agreed:

MERITAGE HOMES OF CALIFORNIA, INC.

By: _____

Its: _____

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[signature page to First Amendment to Joint Community Facilities Agreement]