

**RECORDING REQUESTED
BY AND WHEN RECORDED
MAIL TO:**

City of Temecula
41000 Main Street
Temecula, CA 92590
Attn: Randi Johl, JD, MMC
City Clerk

Exempt from recording fees pursuant to Govt. Code Section 27383
(Space above for recorder's use)

**THIRD AMENDMENT TO DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF TEMECULA AND
LENNAR HOMES, INC., A CALIFORNIA CORPORATION
AND WINCHESTER HILLS I LLC, A CALIFORNIA
LIMITED LIABILITY COMPANY**

This Third Amendment to Development Agreement is made and entered into as of _____, 2025, by and between the CITY OF TEMECULA, a California municipal corporation ("City"); HARVESTON-SAB SOUTH LLC, a California limited liability company, a successor in interest to HARVESTON-SAB LLC, a California limited liability company ("Harveston") successor in interest to Winchester Hills I LLC, a California limited liability company; and MERITAGE HOMES OF CALIFORNIA, INC., a California corporation ("Meritage") pursuant to the authority of Section 65864 through 65869.5 of the California Government Code and Article XI, Section 2 of the California Constitution. Pursuant to said authority and in consideration of the mutual covenants set forth in this Second Amendment, the parties hereto agree as follows:

1. Recitals. This Third Amendment is made with respect to the following purposes and facts which the parties agree to be true and correct:

A. On August 28, 2001, the City Council of the City of Temecula approved that certain agreement entitled "Development Agreement By And Between The City Of Temecula And Lennar Homes, Inc., A California Corporation And Winchester Hills I LLC, A California Limited Liability Company" by the adoption of Ordinance No. 01-08 (the "Development Agreement"). The Development Agreement was recorded on January 16, 2002 as Document No. 2002-026470 in the Official Records of the County of Riverside.

B. On October 23, 2007, the City Council of the City of Temecula approved that certain agreement entitled “First Amendment to Development Agreement By And Between The City Of Temecula And Lennar Homes, Inc., A California Corporation And Winchester Hills I LLC, A California Limited Liability Company” by the adoption of Ordinance No. 07-14 (“First Amendment”). The First Amendment was recorded on October 2, 2015 as Document No. 2015-0437479 in the Official Records of the County of Riverside. On January 10, 2023, the City Council of the City of Temecula approved that certain agreement entitled “Second Amendment to Development Agreement By And Between The City of Temecula and Lennar Homes, Inc., A California Corporation And Winchester Hills I LLC, A California Limited Liability Company” by adoption of Ordinance No. 2022-14 (“Second Amendment”). The Second Amendment was recorded on January 11, 2023 as Document No. 2023-0007919 in the Official Records of the County of Riverside.

C. The real property which is subject to the Development Agreement and the First Amendment and Second Amendment is comprised of two components. The first is the Lennar Property described in the Development Agreement (“Lennar Property”). The second is the Winchester Hills I LLC Property which was specifically described in Exhibit A to the First Amendment (“Winchester Property”).

D. The Lennar Property has been developed consistent with the Development Agreement, so the term of the Development Agreement as it pertains to the Lennar Property has expired.

E. Winchester Hills I LLC’s interest in the Winchester Property and in the Development Agreement (as amended by the First Amendment) was transferred to Harveston in 2012. The northerly portion of the Winchester Property acquired by Harveston was transferred to Harveston North in 2015 and the southerly portion was transferred to Harveston South in 2016. Harveston South has requested to repeal the First Amendment which extended the term of the Development Agreement and to reinstate the original term of the Development Agreement for the remaining portion of the Winchester Property.

F. Meritage, a “Merchant Builder” under the Development Agreement owns the portion of the Winchester Property specifically described and depicted on Exhibit “A” hereto. Harveston South does not currently own any portion of the Winchester Property but is a party to this Third Amendment to confirm its personal rights under the Development Agreement, including but not limited to its rights to fee credits pursuant to Section 4.8 of the Development Agreement. The property listed in this paragraph and described in the Exhibit is referred to herein as the “Last Winchester Property.”

G. Harveston South warrants and represents to the City that the Meritage entity is the only person that owns the Last Winchester Property and that no other persons are required to consent to or approve this Third Amendment.

H. The Planning Commission of the City of Temecula held a duly noticed public hearing on May 21, 2025 and by PC Resolution No. 2025-19 recommended to the City Council that this Third Amendment be approved.

I. On July 8, 2025, the City Council of the City of Temecula held a duly noticed public hearing on the proposed Third Amendment and the CEQA documentation at which time all persons had the opportunity to testify in support of or opposition to the proposed Third Amendment.

J. On July 22, 2025 the City Council of the City of Temecula adopted Ordinance No. 2025-11 approving this Third Amendment.

2. Repeal of First Amendment. The First Amendment is hereby repealed and is of no further force and effect as to the Last Winchester Property.

3. Authority to Enter Into Third Amendment. The entities in Recital F above each warrant and represent to the City that its approval of this Third Amendment will not violate any agreements they may have with other persons. The person or persons executing this Third Amendment on behalf of said entities each further warrant and represent to the City that this Third Amendment has been duly approved by each and that all applicable notices, approvals and procedures were complied with and that he or she is duly authorized by his/her principal to execute this Third Amendment on behalf of that entity and has been duly authorized to do so.

4. Other Terms Remain. Except as specifically set forth herein, all other terms and conditions of the Development Agreement shall remain in full force and effect as to the Last Winchester Property.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as provided herein.

**CITY OF TEMECULA,
a municipal corporation**

Brenden Kalfus
Mayor

Attest:

Randi Johl, JD, MMC
City Clerk

Approved As to Form:

Peter M. Thorson
City Attorney

**HARVESTON-SAB SOUTH LLC,
a California limited liability company**

Stephen A. Bieri
President

**MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation**

Name:
Title:

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

Meritage Property

LEGAL DESCRIPTION

EXHIBIT “A”

Meritage Property

DEPICTION