

DEPOSIT AND REIMBURSEMENT AGREEMENT

County of El Dorado
Community Facilities District No. 2014-1
(Carson Creek)
Series 2014 Bonds

Recitals

- A. The parties to this agreement are the COUNTY OF EL DORADO, a political subdivision of the State of California (the “County”), and LENNAR HOMES OF CALIFORNIA, INC, a California corporation (the “Developer”).
- B. The effective date of this agreement shall be January 28, 2014.
- C. The Developer has submitted an application to the County, requesting that the County issue and sell an initial series of special tax bonds (the “Series 2014 Bonds”) of the County on behalf of Community Facilities District No. 2014-1(Carson Creek) (“CFD No. 2014-1”) pursuant to the Mello-Roos Community Facilities Act (the “Act”) and upon the security of the unpaid special tax obligation recorded as a lien against the taxable property in CFD No. 2014-1 to finance the cost and expense of acquiring, constructing and installing certain public facilities and either paying or reimbursing the Developer for certain impact fees (the “Facilities”).
- D. In the event the County is able to accomplish sale and delivery of the Series 2014 Bonds on terms and conditions satisfactory to the County, the County intends to utilize the proceeds of sale thereof to (1) reimburse the Developer for any deposit made pursuant to this agreement and (2) finance the acquisition, construction and installation of the Facilities, including certain authorized incidental expenses of CFD No. 2014-1 and the Facilities, together with the costs of issuance of the Series 2014 Bonds.
- E. In consideration for the mutual undertakings of the parties stated herein, the parties agree as follows.

Agreement

1. The foregoing recitals are true and correct, and the parties expressly so acknowledge.
2. The County acknowledges that the Developer has submitted to the County \$15,000.00, which upon execution of this Agreement will be credited to an account

maintained by the County within CFD 2014-1 Fund structure, known as the “Carson Creek Cost of Issuance Account” (the “Account”). The County Auditor-Controller shall be responsible for the administration of this agreement. The County is authorized to disburse amounts from the Account, from time to time, to pay preliminary and incidental costs and expenses incurred by the County in connection with the County’s proceedings to implement the proposed financing. Without limiting the generality of the foregoing, the County may disburse amounts from said fund to other appropriate funds or accounts of the County to pay/reimburse the County for the reasonable cost of staff time and fees and expenses for consultants retained by County to assist the County in the formation of the CFD and the implementation of the proposed financing.

In the event that the balance in said Account is drawn down to an amount of less than \$5,000, the County may notify the Developer of such fact, and the Developer shall forthwith provide the County with an additional deposit as requested by the County to assure the continued availability of funds for the payment of such preliminary expenses.

In the event that the Developer does not provide for such additional deposit within 15 days of such notification, the County shall be entitled to suspend further actions in furtherance of establishing CFD No. 2014-1 or implementing the proposed financing until such additional deposit is made.

3. Subject to the provisions of the foregoing paragraph 2 respecting suspension of proceedings, the County agrees to proceed with all due diligence in conducting and completing the legal proceedings to authorize the issuance, sale and delivery of the Series 2014 Bonds. In preparing the estimate of the costs and expenses to be financed by the proceeds of the Series 2014 Bonds, the County shall include an amount estimated to be sufficient to reimburse the Developer for the full amount of all deposits made by the Developer, including but not limited to the initial \$15,000, pursuant to this agreement.

Thereafter, but only to the extent determined by the County to be feasible on the basis of (a) the County’s policies respecting the limitation of the principal amount of bond financing as a fraction of the appraised market values of taxable property within CFD No. 2014-1 and (b) the requirements for issuance of the Series 2014 Bonds, the County

agrees to make allowance in the sizing of the Series 2014 Bonds for the reimbursement of such deposits; provided that it is expressly acknowledged by the Developer that this provision shall not be construed to obligate the County to provide for such reimbursement if doing so would result in non-compliance with the County's policies respecting the limitation on the principal amount of bond financing as a fraction of the appraised values of the subject property within CFD No. 2014-1, and under no circumstance shall the County be obligated to provide for such reimbursement from any source other than the proceeds of sale of the Series 2014 Bonds.

4. Subject to compliance with the County's policies, the County shall utilize its best efforts to accomplish issuance and sale of the Series 2014 Bonds to finance the authorized purposes of CFD No. 2014-1, including but not limited to reimbursement to the Developer for any deposits made by the Developer pursuant to this agreement and to acquire, construct and install the Facilities. The Developer acknowledges that the Board of Supervisors of the County (the "Board") retains complete discretion over the terms and conditions of issuance of the Series 2014 Bonds and that if for any reason the Series 2014 Bonds are not issued on terms and conditions deemed satisfactory to the County, the Developer will have no right to recover any amounts deposited hereunder. If the Board determines to abandon the issuance and sale of the Series 2014 Bonds, any amounts deposited by the Developer hereunder which have not been spent and which are not held to cover future payments for which the County is obligated will be returned to the Developer.

5. In discharging its obligation to use its best efforts to accomplish a public offering and sale of the Bonds, the County intends to accomplish such offering and sale through a negotiated sale to Stifel, Nicolaus and Company, Incorporated, (the "Underwriter"). To enable the County, the County's Disclosure Counsel and the Underwriter to prepare an Official Statement to be utilized in connection with Underwriter's public offering of the Bonds, the Developer agrees to provide such financial information, development program information, title reports, appraisal reports, and such other information as Disclosure Counsel and the Underwriter may consider material in connection with preparing the Official Statement and determining feasibility and structure of the proposed bond issue. Such reports and information shall be provided to the County, Disclosure Counsel and to the Underwriter at no cost to either, and the actual cost and

expense of the Developer shall be eligible for reimbursement from proceeds of sale of the Bonds, provided that sufficient allowance has been made in the cost estimate and bond sale for that purpose.

WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their authorized representatives as of the effective date stated above.

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

**Chairman
Board of Supervisors
"County"**

**ATTEST: James Mitrisin, Clerk
of the Board of Supervisors**

By: _____ Dated: _____

Deputy Clerk

-- DEVELOPER --

LENNAR HOMES OF CALIFORNIA, INC, a California corporation

By: _____

Its: _____