

**PROJECT PROCESSING AND REIMBURSEMENT AGREEMENT  
FOR WESTRIDGE HILLS PROJECT IN LA HABRA, CALIFORNIA**

**THIS PROJECT PROCESSING AND REIMBURSEMENT AGREEMENT** (the “Agreement”) is made and entered into as of October 22, 2025, by and between the City of La Habra (the “City”) and Lennar Homes of California, LLC (“Developer”). In consideration of the mutual covenants set forth herein, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Recitals.** This Agreement is made with respect to the following facts and purposes, which the parties acknowledge to be true and correct:

A. The property that is the subject of this Agreement is generally described as approximately 151 acres of property in the City of La Habra, and currently developed with the Westridge Golf Club located at 1400 South La Habra Hills Drive (“Property”). The Developer has been authorized in writing by the owner of the Property to file the development application that is the subject of this Agreement.

B. On January 17, 2023, the Developer submitted a preliminary application, pursuant to the requirements of Senate Bill (SB) 330, the Housing Crisis Act of 2019 and the Housing Accountability Act (Government Code Section 65589.5), and an account deposit of \$45,000; and subsequently, on July 13, 2023, the Developer submitted a development application to develop the Property, with 534 residential units, [comprised of 110 low-income restricted apartment homes, 142 multi-family attached units (townhomes/duplexes), and 282 single-family homes], in addition to a centrally-located private community center for use only by the development's residents, habitat enhancement and conservation areas, and open space areas ("Proposed Development Project").

C. On August 11, 2023, the City sent the Developer a letter stating that the development application submitted on July 13, 2023 was deemed incomplete; and, subsequently on September 12, 2023 the Developer submitted a revised development application that the City deemed incomplete on October 12, 2023, which was followed by the Developer submitting a revised development application on January 18, 2024.

D. On January 29, 2024, the City sent the Developer a letter stating that the development application for a Vesting Tentative Tract Map (VTTM) for the Proposed Development Application was deemed complete and that, pursuant to the City’s fiscal year 2023/24 fee resolution, there was no fee required for the City’s review of the preliminary application and a flat fee of \$6,532, was required for the processing of the VTTM, which would be deducted from the deposit received with the preliminary application.

E. The City’s letter, dated January 29, 2024, also informed the Developer that the Environmental Checklist and technical studies submitted by the Applicant were inadequate for the Proposed Development Project; and that the City, as the Lead Agency, will select and hire an independent consultant to ensure compliance with the to the California Environmental Quality

Act ("CEQA "), Public Resources Code § 21000, et seq. and the CEQA Guidelines, California Code of Regulations § 15000, et seq,

F. On February 21, 2024, the City released a Request for Proposals (RFP) from qualified professional environmental consultants to perform a review of the Proposed Project in compliance with CEQA; the RFP was released through PlanetBids, an eProcurement software company used by the Community and Economic Development Department to procure consultants to augment department staffing; according to the Bid Summary prepared by PlanetBids, a total of 69 vendors registered with PlanetBids were notified of the RFP, three prospective bidders were identified, and one proposal was received by the RFP deadline of March 11, 2024; staff reviewed this proposal from Infrastructure Engineers, a Bowman company, and deemed that the proposal adequately provided the scope of services requested by the RFP.

G. On April 1, 2024, the La Habra City Council approved and authorized the City Manager to enter into an agreement with Infrastructure Engineers, a Bowman Company, for professional services for the review and preparation of environmental documents for the Proposed Development Project pursuant to the requirements of CEQA;

H. On April 9, 2024, the City sent the Developer a letter indicating that, pursuant to the City's fee resolution, the Developer is required to provide the City with a deposit of funds to cover the costs of the contract, plus an additional 25% to cover staff management and oversight of the consultant, prior to the consultant commencing work on the environmental review of the Proposed Development Project.

I. On June 20, 2024, the Developer submitted an additional deposit of \$262,465, and subsequently submitted a letter dated August 8, 2024, requesting that the City, as the Lead Agency, prepare and environmental impact report (EIR) for the Proposed Development Project; based on the billing structure proposed in the agreement approved on April 1, 2024, the consultants "not to exceed cost" to prepare the EIR would be \$218,956; in addition \$54,739 (25% of the consultant cost) would be charged to the Developer to recover City staff costs to provide management and oversight of the consultant, for a total cost of \$273,695.

J. Therefore, of the \$307,465 that the Developer has deposited to the City, \$280,227 will cover the costs associated with the processing of the VTTM (\$6,532) and the review and preparation of environmental documents for the Proposed Development Project pursuant to the requirements of CEQA (\$273,695); and, the remaining balance will be \$27,238.

K. On October 22, 2025, the Developer's representative submitted a letter to the City Attorney requesting to expedite the City's processing of the Proposed Development Project.

L. The City's Master Schedule of Fees does not specifically cover the full cost for the City to expedite the processing of the Proposed Development Project.

M. City and Developer desire to fund the City's costs to expedite the processing of the Proposed Development Project to the extent feasible, through the Developer's funding of the City's costs for fees and expenses of any consultants, as may be retained by the City, in connection with the expedited processing of the Proposed Development Project, including, but

not limited to, Planning, Engineering, Traffic, and Building Safety Consultants and sub-consultants, plus an additional 25% to cover staff management and oversight of said consultants.

**2. Processing of Proposed Development Project.** City shall diligently and in good faith continue to process the Proposed Development Project in accordance with all applicable federal, state, and local laws, ordinances and regulations. To the extent feasible, City shall retain the services of consultants and sub-consultants to supplement City staff and expedite consideration and processing of the Proposed Development Project.

A. Developer acknowledges and agrees that the City staff, the Planning Commission, and the City Council, as applicable, shall exercise their full discretion in processing, approving, conditionally approving, or denying the Proposed Development Project and that nothing in this Agreement is intended to, nor shall it be construed to, limit in any way the full exercise of the decisions to be made by the City staff, the Planning Commission, or the City Council, as applicable, on the Proposed Entitlements.

B. Developer further understands and agrees that review of the Proposed Development Project will involve the exercise of the City's police power and that the City may not contract away its right to exercise its police power in the future except under limited circumstances which are not applicable to this Agreement. Therefore, nothing in this Agreement is intended, nor shall any part hereof be construed, as any approval or commitment of the City, the Planning Commission, or the City Council for the Proposed Development Project.

**3. Developer Payment of City Costs to Expedite the Processing of the Proposed Development Project.**

A. The outside contract staff and consultants used by City pursuant to this Agreement shall be selected from the City's existing list of previously approved on-call consultants, at the sole reasonable discretion of the City Manager or his designee(s). City shall inform Developer of the identity of such outside consultants and the proposed scope of services to be undertaken thereby. Developer, acting reasonably, shall have ten (10) business days from the date of such notice to notify City that a proposed consultant may have a conflict of interest, or that the proposed scope of services is not within the scope of activities contemplated by this Agreement for the purpose of expediting the processing of the Proposed Development Project

B. In addition to funding the City's cost of processing the VTTM and preparing the CEQA Document pursuant to the City's fiscal year 2023/24 fee resolution, as described above, Developer shall also fund the City's actual fees and expenses incurred from its use of any consultants in connection with the expedited processing of the Proposed Development Project, including, but not limited to, Planning, Engineering, Traffic, and Building Safety Consultants and sub-consultants, plus an additional 25% to cover staff management and oversight of said consultants, as further described in this Paragraph.

C. Nothing herein is intended nor shall it be construed to exempt Developer from its obligations to pay any applicable development impact fees or such other impact fees or lawful exactions imposed by governmental entities, including the City.

D. Developer acknowledges that in expediting the processing of the Proposed Development Project, the City may incur the following additional expenses from receipt through consideration and approval, conditional approval, or denial by the City staff, the Planning Commission, or the City Council, as applicable, and any appeal that may be made to such bodies (“Expenses”), and agrees to pay such Expenses as required herein:

1) The actual fees and expenses of any consultants, as may be retained by the City, in connection with the expedited processing of the Proposed Development Project, including, but not limited to, Planning, Engineering, Traffic, and Building Safety Consultants and sub-consultants, plus an additional 25% to cover staff management and oversight of said consultants.

2) The cost of legal counsel to the City for expedited review, as set forth in the legal services agreement between the City and its outside special counsel for this matter.

#### **4. Deposit of Funds for EIR Preparation and City’s Processing Expenses**

A. To facilitate the Developer’s payment of processing costs as identified above, the City shall require Developer to maintain a deposit in the amount of at least \$40,000.00 for processing of the Proposed Development Project to be held in a single purpose bank account of the City designated for the Project (the “Project Bank Account”). The City shall not cease work processing the Proposed Development Project unless such deposit is not received within fifteen (15) calendar days following the City’s request.

B. To facilitate the preparation of the CEQA documents as identified above, the City has received from Developer a deposit in the full amount of the Environmental Consultant’s fee to prepare the CEQA documents, to be held in a single purpose bank account of the City designated for the Project (the “Environmental Consultant Bank Account”). If, during the course of the consultant’s work, the City determines that a contract amendment is necessary to fund additional necessary work, the Developer shall promptly deposit with the City an additional amount to fund the increased costs.

C. The Director of Community and Economic Development shall notify the Developer for the need of additional funds for the Project Bank Account when the deposited amount reaches \$40,000 remaining. The Developer shall transfer to City or City’s bank such amounts as the Director of Community and Economic Development determines necessary to cover the difference in costs within fifteen (15) business days of a written request from the Director of Community and Economic Development. The City shall provide to Developer on a quarterly basis an expense report of the actual fees and expenses of any consultants, as may be retained by the City, in connection with the expedited processing of the Proposed Development Project, including, but not limited to, Planning, Engineering, Traffic, and Building Safety Consultants and sub-consultants, plus an additional 25% to cover staff management and oversight of said consultants, charged against the deposit.

D. If the amount of the actual costs incurred by the City is less than the amount of the deposit in the Project Bank Account, then the City shall refund the difference to the Developer, without interest, within ten (10) working days following:

1) The Final Certificate of Occupancy for the Proposed Development Project if the Proposed Development Project is approved; or,

(2) The expiration of the statute of limitations to challenge the City Council's final decision, if the Proposed Development Project is denied, without the filing of litigation or, if litigation is filed, the date the litigation is final and all applicable appeals periods have expired without the filing of an appeal.

E. In the event Developer does not timely make the deposits described in this Agreement in the times required by this Agreement, the City will terminate any efforts to expedite processing of the Proposed Development Project and any processing and consideration of the Proposed Development Project will occur within the City's standard processing times.

## **5. General**

A. Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, FedEx, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the United States Mail as provided above.

To: City of La Habra  
110 East La Habra Boulevard  
La Habra, CA 90631  
Attn: City Manager

To Developer: Lennar Homes California, LLC  
2000 FivePoint, Suite 365  
Irvine, CA 92618  
Attn: Gary Jones, Vice President Land Acquisitions

B. 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 reasonably possible.

C. Each party acknowledges that this Agreement is valid, binding, and enforceable against the party.

D. Time is of the essence in every aspect of this Agreement.

E. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, provided that Developer shall notify City of any full or partial assignment of its interest in the Property or the Project within five (5) business days following approval of the assignment.

F. The City and Developer understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior court of Orange County, California.

G. The person or persons executing this Agreement on behalf of Developer warrant and represents to the City that he or she has the authority to execute this Agreement on behalf of the Developer and has the authority to bind Developer to the performance of its obligations hereunder.

H. Developer may terminate this Agreement at any time by notifying City in writing. Within five (5) days after termination by Developer, Developer shall pay any Expenses not covered by any the Deposit with City, or the City shall refund Developer any Deposit in excess of the Expenses. In the event of such termination, the City will terminate any efforts to expedite processing of the Proposed Development Project and any processing and consideration of the Proposed Development Project will occur within the City's standard processing times

I. This Agreement contains the complete expression of the whole agreement between the parties hereto with respect to the subject matter of this Agreement, and there are no promises, representations, agreements, warranties or inducements, either expressed verbally or implied, except as are fully set forth herein. This Agreement cannot be enlarged, modified, or changed in any respect except by written agreement between the parties.

J. As an agreement relating to the use of real property, the sole remedy available to either party for a breach of this Agreement is the remedy of specific performance. No party may initiate litigation for an alleged breach of this Agreement without providing at least thirty (30) days' written notice to the allegedly breaching party and a reasonable opportunity to cure. Neither party shall be liable to the other for any type of monetary damages as a result of an alleged breach of this Agreement.

K. In the event that either Party is forced to initiate litigation to enforce the terms of this Agreement or either party's compliance with those terms, the prevailing party shall be entitled to recover its reasonable costs of suit including, without limitation, reasonable attorneys' fees.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the day and year first above written.

[SIGNATURES ON NEXT PAGE]

**CITY OF LA HABRA**  
**a municipal corporation**

---

Jim Sadro  
City Manager

Attest:

---

Rhonda J. Barone, CMC  
City Clerk

Approved as to Form:

---

Craig A. Steele  
Richards, Watson & Gershon, APC  
Attorneys for the City of La Habra

**DEVELOPER**

**Lennar Homes of California, LLC**

By: 

Name: GARY LEWIS

Title: VICE PRESIDENT

By: 

Name: JOHN LAVENEX

Title: DIVISION PRESIDENT

[Two signatures required for Developer  
or evidence of authority]