

DEPOSIT AND REIMBURSEMENT AGREEMENT

THIS DEPOSIT AND REIMBURSEMENT AGREEMENT (the “Agreement”) dated as of June 1, 2025, is entered into by and between the Beaumont Unified School District, a school district organized and existing under the laws and constitution of the State of California (the “School District”) and Meritage Homes of California, Inc., a California corporation (the “Owner”).

RECITALS

A. The Owner owns approximately 110 acres of land which are planned for the development of approximately 366 single family residential units within the District (as defined below) (the “Project”). The property within the Project is described in Exhibit A to this Agreement (the “Property”).

B. The Owner desires to establish a mitigation program with the School District which will satisfy Property’s obligations to mitigate the impact of the development of the Project on public school facilities of the School District. To facilitate such a mitigation program, the Owner has requested that the School District form a community facilities district (the “District”), pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.) (the “Act”) for the purpose of fully mitigating the impact of the development of the Property on public school facilities of the School District.

C. The School District and the Owner are desirous of entering into this Agreement in order to provide a mechanism by which the Owner may advance certain costs related to an analysis of the propriety of the School District implementing a mitigation program for the Project and forming the District to include the Property, for the purposes stated above, and, if a decision is made to include the Property within the District, the cost of formation of the District, and to provide that such District, if formed, will reimburse the Owner for the amounts advanced hereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Recitals. Each of the above recitals is incorporated herein and is true and correct.
2. Proposed Mitigation Agreement and Potential Formation of the District and Issuance of Bonds.

(a) At the request of Owner, the School District will undertake to analyze the appropriateness of forming the District to implement a mitigation program for the Project. The School District will retain, at Owner’s expense, the necessary consultants to analyze the proposed formation of the District and issuance of bonds, including an engineer, special tax consultant, financial advisor, bond counsel, market absorption consultant, appraiser and other consultants deemed necessary by the School District (collectively, the “Formation Costs”). In addition, School District staff time spent in connection with this analysis and the formation of the District and the issuance of bonds shall be at Owner’s expense. School District shall provide notice to Owner of the Formation Costs prior to incurring them and must also provide an estimate thereon. If Owner objects

to any such Formation Cost, the School District shall not incur it, but may also cease all work related to the formation of the District or issuance of the bonds.

In order to begin the process of analyzing a mitigation program for the Project and the potential formation of the District, the Owner has advanced to the School District the initial sum of \$50,000. From time to time, Owner may make additional advances to the School District within 14 days following receipt from the School District of a request, in writing, for an additional advance to cover the Formation Costs, if needed. The District shall make such a request to the Owner when the deposit balance is reduced to below \$5,000. In the event that the Owner does not deliver the requested amount to the School District within such 14-day period, the School District will have no obligation to proceed with the analysis unless and until such additional advance is received. The Owner shall have the right to notify the School District at any time, in writing, of its intention to abandon the analysis and the District formation process or the issuance of bonds regarding the Property. Upon receipt of such notice, the School District shall instruct its consultants to cease work in connection with the applicable property as soon as practicable. The Owner shall be responsible to pay the Formation Costs incurred by the School District or any School District consultant or advisor prior to the date on which the School District is notified of the Owner's notice of abandonment. All unused sums advanced by Owner shall be returned to Owner within thirty (30) days upon receipt of such notice.

(b) The School District will provide to the Owner within fifteen (15) days of written request, copies of all invoices and other documents and information which the District prepares or receives with regard to the Formation Costs which are to be paid from the advanced amounts provided by Owner and a summary of how the advances have been spent and the unexpended balance remaining. All amounts advanced by the Owner will be reimbursable to Owner, without interest, from the proceeds of the first sale of bonds or other indebtedness secured by the special taxes or for which the special taxes are to be expended to pay debt service. Any deposit advanced by Owner that is unused at the end of the formation process or upon Owner's request to cease the formation process will be reimbursed back to the Owner within thirty (30) days of formation or termination of the formation process, as applicable.

3. Reimbursement Procedure. The School District shall return any funds which have been advanced by the Owner which are not expended on the purposes set forth in Section 2 above within thirty (30) days. Such returned funds shall be without interest.

4. Abandonment of District Formation Process. The Owner understands that any formation of the District shall be in the sole discretion of the School District. No provision of this Agreement shall be construed as a promise, warranty or agreement by the School District to form the District or to issue any bonds. The School District shall have no liability to Owner for its decision not to form the District or issue bonds, other than to return any funds which have been advanced by the Owner which are not expended in accordance with Section 2 herein.

5. Indemnification and Hold Harmless. The Owner hereby agrees to assume the defense of (with counsel of the School District's choosing, with the consent of the Owner, not to be unreasonably withheld), and indemnify and save harmless, the School District and each of its officers, directors, employees and agents, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or arising out of any acts or omissions taken by Owner or any of their officers, employees, contractors or agents with respect to the formation of the District.

6. Notices. Any notice to be provided pursuant to this Agreement shall be delivered to the following addresses:

Owner: Meritage Homes of California, Inc.
5 Peters Canyon Road, Suite 310
Irvine, California 92606
Attention: Efrem Joelson

School District: Beaumont Unified School District
350 West Brookside Avenue
Beaumont, California 92223
Attention: Chief Business Official

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other party.

7. Assignment. In the event the Owner assigns its respective interests in this Agreement, the Owner shall provide the School District written notice to the School District of such assignment within thirty (30) business days of such assignment.

8. Severability. 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 permitted by law.

9. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein.

10. Amendments. This Agreement may be amended or modified only by written instrument signed by all parties.

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

12. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

13. No Third Party Beneficiaries. No person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than the School District and the Owner, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

15. Termination. This Agreement shall terminate and be of no further force and effect on December 31, 2025 unless expressly amended by the parties; provided, however, that the Owner's obligations under Section 5 shall survive the termination and the School District's obligation to provide reimbursement in accordance with Section 2(b) and Section 3 for expenses incurred prior to the termination date shall also survive termination.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

BEAUMONT UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation

By: _____
Authorized Officer

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Beaumont, County of Riverside, State of California, included within Parcel Map 38953, as follows:

<u>Zone</u>	<u>Parcel Nos.</u>
Zone 1	Parcels 1 and 6
Zone 2	Parcels 2 and 3
Zone 3	Parcels 4 and 5