

## JOINT COMMUNITY FACILITIES AGREEMENT - SCHOOL DISTRICT

THIS JOINT COMMUNITY FACILITIES AGREEMENT – SCHOOL DISTRICT (the “Agreement”) is entered into this 20th day of February, 2024, by and among the TEMECULA PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority (the “Authority”), the TEMECULA VALLEY UNIFIED SCHOOL DISTRICT, a school district duly organized and validly existing under the laws of the State of California (the “School District”), and MERITAGE HOMES OF CALIFORNIA, INC., a California corporation (the “Company”), and relates to the proposed formation of the TEMECULA PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 23-02 (PRADO) (the “CFD”), for the purpose of financing certain public school facilities to be owned and operated by School District.

### RECITALS

A. The Company is developing and owns the property described in Exhibit A hereto (the “Property”) which is located in the City of Temecula, California, and within the boundaries of the proposed CFD. The School District provides school services to an area which includes the Property, and expects to enter into a School Facilities and Funding Agreement with the Company (the “School Agreement”), which School Agreement will establish school impact fees (the “School District Fees”) applicable to development within the CFD.

B. Pursuant to the request of Company, the Board of Directors of the Authority has initiated proceedings to form the CFD pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”).

C. The Company has requested and proposed that the CFD be formed for the purpose of providing the means of financing the acquisition of various public facilities, including certain public school facilities to be constructed, owned and operated by the School District, which are described in further detail on Exhibit B (the “School District Facilities”), in lieu of the payment of the School District Fees otherwise payable incident to the development of homes to occur in the CFD.

D. The Act effectively provides that the CFD may finance the School District Facilities only pursuant to a joint community facilities agreement adopted pursuant to Government Code Section 53316.2.

E. The Authority and the School District have determined that entering into a joint community facilities agreement to enable the CFD to finance some or all of the School District Facilities will be beneficial to the residents of each entity and, therefore, desire to enter into this Agreement, as it constitutes a joint community facilities agreement pursuant to Government Code Section 53316.2.

F. Nothing contained herein shall be construed as requiring the Company to take any specific action, or for the Authority to form the CFD or to issue any special tax bonds for the CFD.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and 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. Each of the above recitals is incorporated herein and is true and correct.

2. Proceedings for the Formation of CFD; Costs of Formation. The Board of Directors of Authority shall have the jurisdiction to and shall be solely responsible for undertaking the proceedings pursuant to the Act to consider the formation of the CFD and the authorization for the CFD to levy special taxes within the CFD and to incur bonded indebtedness.

The School District is not directly or indirectly approving or responsible in any way whatsoever for the levy of special taxes within the CFD, nor is the School District directly or indirectly approving or responsible in any way whatsoever for the issuance or administration of bonds that may be issued by the Authority for the CFD. The School District shall not be responsible in any way whatsoever for the costs of formation of the CFD or of the issuance of any special tax bonds for the CFD.

The Authority agrees that any funds advanced by the Developer to the School District to pay costs of the School District related to the review and approval by the School District of this Agreement shall, at the written request of the Company provided to the Authority prior to the issuance by the Authority of special tax bonds for the CFD, be included in the costs of issuance funded from the proceeds of such bonds and reimbursed to the Company promptly following the issuance of such bonds.

3. Use of Bond Proceeds. To the extent proceeds of bonds issued by the Authority for the CFD (the "Bonds") are made available to finance School District Facilities, the Company may request payment from the Authority by executing and submitting a request for payment, in substantially the form attached hereto as Exhibit C (the "Disbursement Request"), executed by the Company and countersigned by the School District. Upon receipt of such Disbursement Request, the Authority will cause the fiscal agent for the Bonds to promptly wire transfer (or pay in another mutually acceptable manner) to the School District such requested funds to the extent that Bond proceeds are available for such purpose.

Upon such notice and the School District's receipt of such disbursement of funds relating to School District Facilities, the Company shall be deemed to have satisfied the applicable School District Fees with respect to the number of square feet of assessable space based on the amount of such disbursement, as set forth in the School Agreement. The School District agrees to use Bond proceeds transferred to it within three years of the date of the issuance of the Bonds for the construction or acquisition of School District Facilities which shall consist of public school improvements owned by a governmental entity in which no nongovernmental entity has any special legal entitlements, which improvements have a useful life of five years or more, and are otherwise identified on Exhibit B hereto.

Notwithstanding the foregoing, the School District shall maintain written records as to the investment and disposition of any Bond proceeds remitted to it under this Section 3, and will make such records available to the Treasurer of the Authority upon the Treasurer's written request. The Authority shall have no responsibility or obligation whatsoever with respect to the construction or operation of any of the School District Facilities, or with respect to any investment or use by School District of funds remitted to it pursuant to the preceding paragraph.

Nothing in this Section 3 shall prohibit the Company from using its own funds to pay all or any portion of the School District Fees for any dwelling unit or lot in the CFD. If the Bond proceeds available for purposes of this Agreement are less than the amount required to be funded pursuant to the School Agreement, the Company, in its discretion, may submit a Disbursement Request to use available Bond proceeds to pay a pro rata portion of the School District Fees for any dwelling unit or lot, and use its own funds to pay the balance of the School District Fees due,

so long as the School District reasonably expects to expend all of the available Bond proceeds by the date which is 3 years after the date the Bonds are issued.

4. Indemnification. The Company shall assume the defense of, indemnify and save harmless, the School District, its officers, employees and agents, and the Authority, its members, directors, officers, employees and agents, and each and every one of them from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subject or put, by reason of, or resulting from this Agreement or the issuance of the Bonds; provided, however that the Company shall not be required to indemnify any person or entity as to damages resulting from willful misconduct of such person or entity or their agents or employees.

5. Termination. The provisions of this Agreement related to the funding of the School District Facilities shall terminate and be of no further force or effect if Bonds are not sold by December 31, 2033. If for any reason the Bonds are not issued by such date, this Agreement shall terminate and be of no further force and effect. If not earlier terminated in accordance with the foregoing, this Agreement shall terminate on the date which is five years after the date on which the School District has fully expended any Bond funds remitted to it (and any investment earning thereon) to pay costs of School District Facilities.

6. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or seventy-two (72) hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

Authority/CFD:	Temecula Public Financing Authority c/o City of Temecula 41000 Main Street Temecula, CA 92589 Attention: Director of Finance
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School District:	Temecula Valley Unified School District 31350 Rancho Vista Road Temecula, CA 92592 Attention: Superintendent
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Company:	Meritage Homes of California, Inc. 5 Peters Canyon Road, Suite 310 Irvine, CA 92606 Attention: Aaron Talarico
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with a copy to:	O'Neil LLP 19900 MacArthur Boulevard, Suite 1050 Irvine, CA 92612 Attention: John P. Yeager, Esq.
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Each party may change its address for delivery of notice by delivering written notice of such change of address to the other party hereto.

7. No Obligation. The parties agree that the Company has no obligations hereunder until or unless the Authority issues the Bonds and allocates a portion of the proceeds of the Bonds specifically to fund the School District Facilities.

8. Amendment. This Agreement may be amended at any time but only in writing signed by each party hereto.

9. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

10. Exhibits. All exhibits attached hereto are incorporated into this Agreement by reference.

11. 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 reasonably possible.

12. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other parties hereto, or the failure by a party to exercise its rights upon the default of another party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other parties with the terms of this Agreement thereafter.

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, the Authority, the CFD and the Company (and their respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14. 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.

15. Effective Date. This Agreement shall become effective upon the execution of this Agreement by the Authority, the School District and the Company, and the execution of a School Agreement by the School District and the Company.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

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

TEMECULA PUBLIC FINANCING AUTHORITY

By: \_\_\_\_\_  
Aaron Adams,  
Executive Director

20009.24;J19209

[signature page to CFD 23-02 – Joint Community Facilities Agreement – School District]

TEMECULA VALLEY UNIFIED SCHOOL  
DISTRICT

By: \_\_\_\_\_  
Nicole Lash,  
Assistant Superintendent of  
Business Support Services

20009.24;J19209

[signature page to CFD 23-02 – Joint Community Facilities Agreement – School District]

MERITAGE HOMES OF CALIFORNIA, INC.,  
a California corporation

By: \_\_\_\_\_  
Aaron Talarico,  
Vice President-Land Acquisition  
and Forward Planning

20009.24;J19209

[signature page to CFD 23-02 – Joint Community Facilities Agreement – School District]

**EXHIBIT A**

**PROPERTY DESCRIPTION**

Riverside County Assessor's Parcel Numbers:

916-400-051  
916-400-052  
916-400-053  
916-400-070



## EXHIBIT B

### DESCRIPTION OF SCHOOL DISTRICT FACILITIES

“School District Facilities” means the planning, engineering, design, acquisition, construction, lease, improvement, and/or financing of interim and permanent facilities, including classrooms, multi-purpose facilities, administration and auxiliary space as reasonably determined from time to time by the School District as follows:

(a) School sites and facilities, including the acquisition of land, or interests in land required for the construction of such on-site or off-site facilities, including, but not limited to, buildings, appurtenances, athletic fields, playgrounds and improvements thereto, as well as portable or relocatable buildings or interim additions to existing buildings at such School District Facilities.

(b) Modernization, rehabilitation, relocation and expansion of existing School District Facilities and related infrastructure.

(c) Central support, administrative facilities, special education facilities and transportation facilities, including, but not by way of limitation, buses and vehicles.

(d) Furniture, equipment and technology, including technology upgrades and mobile devices and infrastructure therefore, with a useful life of at least five (5) years at such School District Facilities.

(e) The costs attributable to planning, engineering, designing, leasing, financing, acquiring, expanding, relocating, rehabilitating, or constructing (or any combination thereof) of School District Facilities (including, without limitation, construction management, inspection, materials testing, and construction staking).

**EXHIBIT C**

**DISBURSEMENT REQUEST FORM FOR FUNDING OF SCHOOL DISTRICT  
FACILITIES IN LIEU OF PAYMENT OF SCHOOL DISTRICT FEES**

1. The Temecula Public Financing Authority (the "Authority") is hereby requested to pay from the Bond proceeds to the Temecula Valley Unified School District ("School District"), as Payee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for funding of School District Facilities in lieu of payment of School District Fees, has not formed the basis of prior request or payment, and is being made with respect to the development of homes on the property described in Exhibit A to the Agreement described below.

3. Amount requested: \$ \_\_\_\_\_

Wire transfer instructions for remission of funds to the School District:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement among the Authority, the School District and Meritage Homes of California, Inc., dated as of February 20, 2024 (the "Agreement").

Capitalized terms used but not defined herein have the respective meanings given to them in the Agreement.

MERITAGE HOMES OF CALIFORNIA, INC.  
a California corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

TEMECULA VALLEY UNIFIED SCHOOL  
DISTRICT

By: \_\_\_\_\_

Its: \_\_\_\_\_