

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

110 B



FROM: TLMA - Transportation Department

SUBMITTAL DATE:
May 31, 2012

SUBJECT: Approval of **TRACT 32171**
A Schedule "A" Subdivision in the French Valley Area

RECOMMENDED MOTION: That the Board approve the Improvement Agreements and Securities as approved by County Counsel, approve the final map and authorize the Chairman to sign the Improvement Agreements and map for Tract 32171.

BACKGROUND: This map complies in all respects with the provisions of Division 3 of Title 15 of the Government Code and applicable local ordinances. The developer desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Improvement Agreements and Securities which have been approved by County Counsel.

REVIEWED BY EXECUTIVE OFFICE

DATE 6/4/12
Tina Grande
Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY [Signature] 4/12/11
ELENA M. BOEVA

DATE

Juan C. Perez
Director of Transportation

- HS:lf
- Submittals: Final Map
- Road/Drainage Imprv Agrmts (Onsite)
- Water System Imprv Agrmts (Onsite)
- Sewer System Imprv Agrmts (Onsite)
- Monumentation Agreements (Onsite)
- Water System Imprv Agrmts (Offsite)
- Sewer System Imprv Agrmts (Offsite)

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: June 12, 2012
xc: Transp., COB

Kecia Harper-Ihem
 Clerk of the Board
 By [Signature]
 Deputy

Dept's Recomm.: Policy Consent Policy
 Per Exec. Ofc.: Policy Consent Policy

Prev. Agn. Ref.

District: 3/3

Agenda Number:

2.7



Riverside County TLMA GIS

VICINITY MAP


TR-32171

SEC. 29 TWP. 6S RNG. 2W

Supervisory District: 3 (Jeff Stone)

M E M O R A N D U M

To: Tina Grande
Principal Management Analyst, Executive Office

From: Yvette Clark-Transportation 
Secretary II

Date: May 30, 2012

Subject: Form 11- Approval of TRACT 32171

Please find attached the following Form-11 for your review and approval:

Approval of TRACT 32171

The referenced maps & mylars will soon follow. Mr. Perez would like to have this item on the **June 12th** Board agenda. **Please call me at x56740 if there are any issues.**

Your assistance is always appreciated.

Attachments

**AGREEMENT
FOR THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 32171 (Onsite Improvements)**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within **24** months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **One million seven hundred twenty thousand and no/100 Dollars (\$1,720,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the road and drainage improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

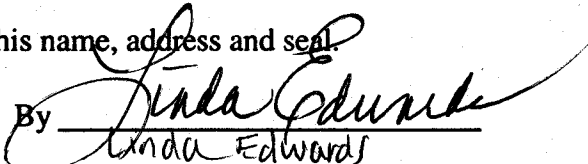
County

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Contractor

Men'tage Homes of California, Inc.
1750 Corona Point Court, #210
Corona, CA 92879

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
Linda Edwards
Title Division President

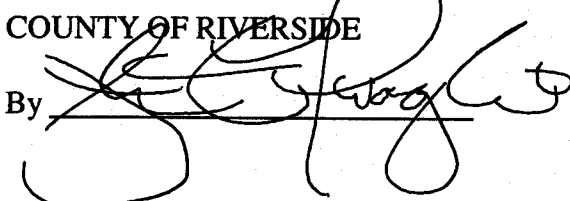
JOHN TAVAGLIONE

By _____

Title _____

CHAIRMAN, BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

By 

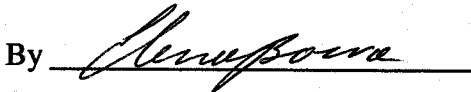
ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

**SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE**

ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

State of California

County of Riverside) ss.

On March 16, 2011 before me, Katherine L Chavez, Notary Public, personally appeared Linda Edwards, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person 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

Katherine Chavez
Katherine L Chavez, Notary Public, # 1837848
(My Commission Expires Feb 22, 2013)

(seal)

**AGREEMENT
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Mervage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 32171 (Onsite Improvements)**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within **24** months from the date this agreement is executed in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, its surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of **Thirty-six thousand seven hundred eighty-four and no/100 Dollars (\$36,784.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the County Surveyor. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the monuments, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

**AGREEMENT
FOR THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 32171 (Onsite Improvements)**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by **Elsinore Valley Municipal Water District** to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **Two hundred nine thousand and no/100 Dollars (\$209,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

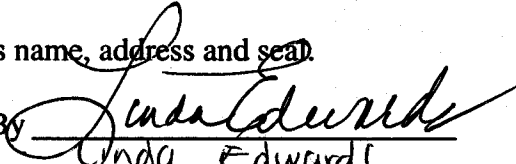
County

Contractor

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Meritage Homes of California, Inc.
1256 Corona Point Court, #210
Corona, CA 92879

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
Linda Edwards
Title Division President

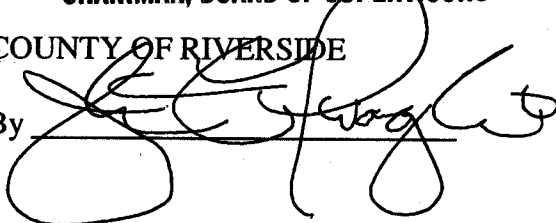
JOHN TAVAGLIONE

By _____

Title _____

CHAIRMAN, BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

By 

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE

Revised 09/29/09

ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

State of California

County of Riverside) ss.

On March 16, 2011 before me, Katherine L Chavez, Notary Public, personally appeared Linda Edwards, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person 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 *Katherine L Chavez*
Katherine L Chavez, Notary Public, # 1837848
(My Commission Expires Feb 22, 2013)

(seal)

**AGREEMENT
FOR THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 32171 (Offsite Improvements)**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by **Elsinore Valley Municipal Water District** to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of **Sixty-four thousand five hundred and no/100 Dollars (\$64,500.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

27 JUN 12 2012

agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

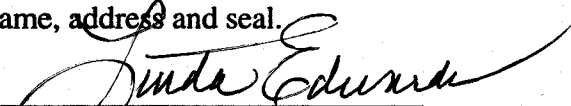
County

Contractor

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Meritage Homes of California, Inc.
1250 Corona Point Court, #210
Corona, CA 92879

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
Linda Edwards
Title Division President

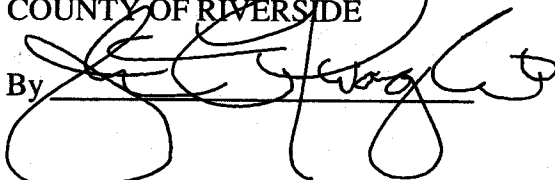
By _____

Title _____

JOHN TAVAGLIONE

CHAIRMAN, BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

By 

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE

Revised 09/29/09

ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

State of California

County of Riverside} ss.

On March 16, 2011 before me, Katherine L Chavez, Notary Public, personally appeared Linda Edwards, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person 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 *Katherine L Chavez*
Katherine L Chavez, Notary Public, # 1837848
(My Commission Expires Feb 22, 2013)

(seal)

**AGREEMENT
FOR THE CONSTRUCTION OF SEWER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and meritage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 32171 (Onsite Improvements)**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **Elsinore Valley Municipal Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **Two hundred ninety-six thousand and no/100 Dollars (\$296,000.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

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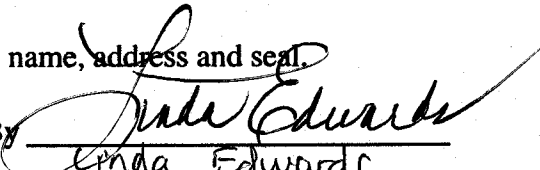
County

Contractor

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

meritage Homes of California, Inc.
1750 Corona Point Court, #210
Corona, CA 92879

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By 
Linda Edwards
Title Division President

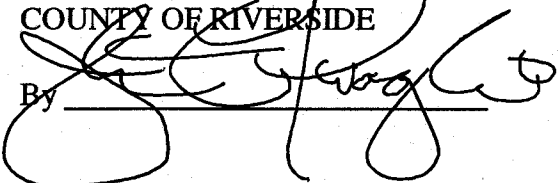
By _____

Title _____

JOHN TAVAGLIONE

CHAIRMAN, BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

By 

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By 
Deputy

APPROVED AS TO FORM

County Counsel

By 

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE

ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

State of California

County of Riverside} ss.

On March 16, 2011 before me, Katherine L Chavez, Notary Public, personally appeared Linda Edwards, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person 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 *Katherine L Chavez*
Katherine L Chavez, Notary Public, # 1837848
(My Commission Expires Feb 22, 2013)

(seal)

**AGREEMENT
FOR THE CONSTRUCTION OF SEWER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and Menitage Homes of California, Inc., hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 32171 (Offsite Improvements)**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **Elsinore Valley Municipal Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **Forty-three thousand five hundred and no/100 Dollars (\$43,500.00)**.

SECOND: Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

THIRD: County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, its agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, its agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County

Contractor

Construction Engineer
Riverside County Transportation Dept.
2950 Washington Street
Riverside, CA 92504

Meritage Homes of California Inc
1250 Corona Point Court, #210
Corona, CA 92879

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By

Title

By

Title

JOHN TAVAGLIONE

CHAIRMAN, BOARD OF SUPERVISORS

COUNTY OF RIVERSIDE

By

ATTEST:

KECIA HARPER-IHEM,
Clerk of the Board

By

Deputy

APPROVED AS TO FORM

County Counsel

By

SIGNATURES OF CONTRACTOR MUST BE ACKNOWLEDGED BY NOTARY
AND EXECUTED IN TRIPLICATE

ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

State of California

County of Riverside} ss.

On March 16, 2011 before me, Katherine L Chavez, Notary Public, personally appeared Linda Edwards, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person 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 *Katherine L Chavez*
Katherine L Chavez, Notary Public, #1837848
(My Commission Expires Feb 22, 2013)

(seal)



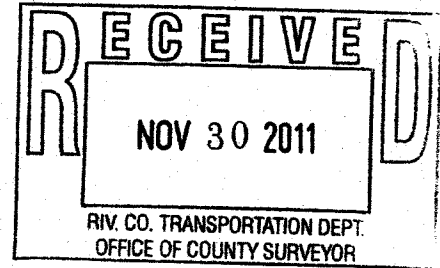
MEMORANDUM

Time

RIVERSIDE COUNTY COUNSEL

CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGE

DATE: November 23, 2011
TO: Kamryn Sanchez
Planning Department
FROM: Karin Watts-Bazan
Principal Deputy County Counsel *Karin*
RE: **CC&R's for Tract No. 32171**



We have received and reviewed the enclosed "Second Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Kona Road" and sample grant deed and approve these documents as to form.

If you have any questions concerning this matter, please do not hesitate to contact this office.

KWB:psg
Enclosure(s) as noted

cc: Peter Vanek, Meritage Homes

RECORDING REQUESTED BY

First American Title

AFTER RECORDING RETURN TO:

*Glenn Mau, Esq. (SB# 138515)
Archer Norris, A Professional Law Corporation
4695 MacArthur Court, Suite 350
Newport Beach, California 92660
Telephone: 949.975.8200
Facsimile: 949.975.8210
Internet: www.archernorris.com*

SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR

KONA ROAD
A SINGLE-FAMILY RESIDENTIAL DEVELOPMENT

**PARAGRAPH 9 OF THIS AMENDMENT CONTAINS NEUTRAL BINDING
ARBITRATION PROVISIONS, INCLUDING A WAIVER OF THE RIGHT TO A JURY
TRIAL. YOU SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS ON
THESE OR OTHER PROVISIONS OF THIS AMENDMENT**

**IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR,
RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL
STATUS, DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN
SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION
VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND
MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT
CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE
AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER
PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON
FAMILIAL STATUS**

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND
RESERVATION OF EASEMENTS FOR**

KONA ROAD

This Second Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for at Kona Road ("**Second Amendment**") is made on the date hereafter set forth by Meritage Homes of California, Inc., a California corporation, on the terms and conditions herein stated:

RECITALS

A. Meritage Homes of California, Inc., a California corporation, is the successor-in-interest to WL Homes LLC, a Delaware limited liability company, and the original "Declarant" identified in that certain Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Kona Road recorded on April 24, 2006 as Document No. 2006-0293841, as amended by that certain First Amendment recorded on March 18, 2011 as Document No. 2011-0123827, all in the Official Records of Riverside County (collectively, the "**Declaration**"). The Declaration imposes mutually beneficial restrictions and easements under a general plan or scheme of improvement for the benefit of all Lots (as defined in the Declaration), and the future owners of Lots. Pursuant to Article I, Section 5 of the Declaration, Meritage Homes of California, Inc., has become the "**Declarant**" and shall have the right and authority to exercise all powers set forth in the Declaration.

B. All capitalized terms not otherwise defined in this Second Amendment shall have the meanings ascribed to them in the Declaration.

C. There also exists that certain Amended and Restated Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Dutch Village recorded on October 29, 1991 as Document No. 374212 in the Official Records of Riverside County (the "**Master Declaration**"). Real property and improvements subject to the Declaration are also subject to the Master Declaration.

D. Declarant is the owner of certain real property (the "**Subject Property**") which is adjacent to the real property set forth in the Declaration, and which is identified and described as follows:

PARCELS 1 AND 3 OF PARCEL MAP 15223, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP IN BOOK 86, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

E. Declarant intends and anticipates that the Subject Property will be subdivided into 55 Lots, consisting of 53 residential dwellings, public streets, cul-de-sacs, an open space lot, and a detention basin area.

F. The County of Riverside ("**County**") requires that the Subject Property be subject to the terms, provisions, obligations, rights, responsibilities and limitations set forth in the Declaration and the Master Declaration.

G. Pursuant to Article VII, Section 9 of the Declaration, Declarant desires to amend the Declaration for the express purpose of conforming to the requirements and requests of the County, by bringing the Subject Property under the jurisdiction of the Declaration and Master Declaration, and be subject to the terms, conditions and provisions of the Declaration and Master Declaration.

H. Pursuant to Article VII, Section 9 of the Declaration, Declarant also desires to amend the Declaration for the express purpose of correcting errors and non-conforming provisions of the Declaration into compliance pursuant to the conditions of approval and other requirements of the County.

I. Declarant also desires to make certain modifications to the Declaration to revise and/or correct provisions which pertain to rights or obligations of Declarant and Owners arising under Division 2, Part 2, Title 7 (commencing with Section 895) of the *California Civil Code*.

J. This Second Amendment amends certain provisions of the Declaration applicable to the Property, including the Subject Property (and any additional property made subject to the Declaration). However, from and after recordation of this Second Amendment, the provisions of Paragraphs 2 through 7, inclusive, 9 and 11, as set forth herein, shall only apply to the Subject Property and the Owners thereof. These modifications to the Declaration do not affect the provisions of the Master Declaration.

NOW THEREFORE, pursuant to Article VII, Section 9 of the aforesaid Declaration, Declarant does hereby declare the following:

1. Paragraph E is hereby *added* to the Recitals on Page 1 of the Declaration:

E. Declarant has improved or intends to improve the Property, or any portion thereof, by subdividing it into Lots, Residences and other Improvements, as defined hereinbelow. Declarant intends to build and sell each Residence to a separate party (each, an "**Owner**"). All of the Property (including additional real property and Improvements that Declarant annexes including, but not limited to, the real property shown on the map for Tract No. 32171) shall be and hereby is subject to the Master Declaration.

2. Section 2 of Article I is *deleted* in its entirety and the following is substituted in lieu thereof:

Section 2. "**Best Management Practices**" or "**BMPs**" shall mean and refer to those certain structural (*i.e.*, physical improvements) and non-structural (*i.e.*, activities and educational information) water quality management practices set forth in, or otherwise required pursuant to, the Water Quality Management Plans prepared in connection with the development of the Project. The structural BMPs may include, without limitation, detention basins, retention basins, debris basins, "V" ditches, bench drains, catch basins, catch basin media filters, inlet trash racks, drainpacs and other storm drain filtration devices, energy dissipaters, culverts, pipes, efficient irrigation technology and related storm drain and water quality facilities constructed in the Project. The non-structural BMPs may include, among other things, restricting certain activities to protect the quality of water entering the storm drain system (*e.g.*, prohibiting the disposal of motor oil, paint products, car detergents and other pollutants into the storm drains in the Project). The non-structural BMPs are designed and intended to control runoff and are to be implemented by Owners and residents of the Project, except as may be set forth herein. The BMPs may be modified from time to time by any public agency having jurisdiction. The Master Association shall

be responsible for inspection of all catch basins within the Project and, if required, to clean said catch basins no later than October 15th of each year. The Master Association shall inspect and maintain all structural BMPs within the boundaries of the Project. Provided, however, that the Valley-Wide Recreation and Park District (the "***District***") shall maintain the detention basin shown as Lot 54, and the open space lot shown as Lot 55, both of which are shown on the final map for Tract No. 32171. Said maintenance of Lots 54 and 55 of Tract No. 32171 by the District shall be in compliance with the BMPs applicable to this Project, as may be amended from time to time.

3. Section 3 of Article I is *deleted* in its entirety.

4. Section 10 of Article I is *deleted* in its entirety and the following is substituted in lieu thereof:

Section 10. "Limited Warranty" shall mean and refer to the Limited Warranty and Performance Standards included in the Warranty Information section of the documents entitled "Making Ownership Easy and Delightful Homeowners' Manual" provided by Declarant to Owners. Each Owner shall be responsible to ensure that the subsequent purchaser of such Owner's Lot is aware of and is given the documents provided by Declarant including, but not limited to, the "Making Ownership Easy and Delightful Homeowners' Manual" and Limited Warranty, and the procedures and forms which must be followed and executed to transfer such Limited Warranty, if applicable, to said subsequent purchaser.

5. Section 13 of Article I is *deleted* in its entirety and the following is substituted in lieu thereof:

Section 13. "Maintenance Guidelines; Maintenance Manual; Maintenance Recommendations." Maintenance Guidelines, Maintenance Manual and Maintenance Recommendations shall all refer to the documents entitled "Making Ownership Easy and Delightful Homeowners' Manual" provided by Declarant which sets forth obligations, procedures, operation and schedules pertaining to certain products manufactured by others and installed on the Lot and/or Residence, including warranty terms, usage instruction and maintenance obligations and schedules for the Owner to Maintain the Improvements for which an Owner is responsible.

6. Section 18 of Article I is *deleted* in its entirety and the following is substituted in lieu thereof:

Section 18. "Property" shall collectively mean and refer to Lots 1 through 86, inclusive, of Tract No. 31330, in the unincorporated area of the County of Riverside, State of California, as shown by a Map on file in Book 400, Pages 90 to 93, inclusive, of Maps, in the Office of the County Recorder of Riverside County, Parcels 1 and 3 of Parcel Map 15223, in the County of Riverside, State of California, as shown by Map in Book 86 of Parcel Maps, in the Office of the County Recorder of Riverside County (as may be further subdivided by Declarant, and is preliminarily identified as Tract No. 32171), and any other real property that Declarant designates as "Property" in any subsequent instrument, amendment or supplement recorded in the Office of the Recorder of Riverside County.

7. Section 19 of Article I is *deleted* in its entirety.

8. Section 11 of Article IV is *deleted* in its entirety and the following is substituted in lieu thereof:

Section 11. Solar Energy Systems. Declarant does not warrant, promise, represent or guarantee that the Residence will be "solar-ready" for any particular type or manufacturer of solar energy systems, or that it will be compatible for solar energy systems in the future. Declarant shall not be responsible for any damage caused to or resulting from any solar energy system installed on the Residence if installed by someone other than Declarant or authorized by Declarant. Notwithstanding, if an Owner does not install a solar energy system through Declarant (pursuant to *California Public Resources Code* § 25405.5, as amended from time to time), or said statute does not apply to the Property, in accordance with *California Civil Code* §§ 714 and 714.1 each Owner may install or use a solar energy system, as defined in *California Civil Code* § 801.5, on the Owner's Lot to serve his or her domestic needs, so long as (a) the design and location of the solar energy system meets the requirements of all applicable governmental ordinances and regulations, (b) the design and location is in such a manner as to be obscured from the view of other persons in the Project to the greatest degree practical without significantly decreasing its efficiency. In every circumstance, all conditions of approval, regulations, orders and ordinances of the City with respect to the Project shall be satisfied with respect to the installation of a solar energy system.

9. Sections 1(a), (b) and (d) of Article VII are *deleted* in their entirety and the following are substituted in lieu thereof:

(a) Enforcement Rights. The Owner of any Lot in the Project, including the Declarant, shall have the right, but not the obligation, to enforce, by proceedings at law or in equity, any or all of the covenants imposed by this Declaration, including, without limitation, the right to prosecute a proceeding, at law or in equity, against the person or persons who have violated, or are attempting to violate, any of said covenants, to enjoin or prevent them from doing so, to cause said violation to be remedied and/or to recover damages for said violation.

(b) Violation of Covenant Deemed Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are violated, in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any Owner, including the Declarant, or by such Owner's successors in interest.

(d) Failure to Enforce Covenants. The failure of any Owner, including the Declarant, to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

10. Section 2 of Article VII, including all of its subsections, are *deleted* in their entirety and the following is substituted in lieu thereof:

Section 2. Disputes Between Owner and Declarant. Any controversy, claim, cause of action, liability or dispute ("**Disputes**") between an Owner and Declarant arising out of or in any way related to: (i) the Limited Warranty, the purchase agreement between Owner and Declarant, the Residence, the Lot, the Project, or any dealings between Owner and Declarant; (ii) arising by virtue of any representations, promises or express or implied warranties alleged to have been made by Declarant or Declarant's agents or representatives; (iii) relating to personal injury or property damage alleged to have been sustained by an Owner, Owner's children, or other occupants of the Residence or Lot, or in the Project; and/or (iv) claims based on strict liability, negligence, nuisance, statutory violation, misrepresentation, and/or fraud shall be resolved pursuant to the provisions of the purchase agreement between such Owner and the

Declarant and/or the provisions of any warranty provided by the Declarant to such Owner. Disputes, as so defined, are further classified as set forth in Sections 2(a) and 2(b), below, with differing dispute resolution procedural rules and requirements applying to each category of Disputes, as stated in those subsections. Except as otherwise provided in the Declarant's written Limited Warranty provided to the Owner, nothing contained in this Section 2 shall establish any contractual duty or obligation on the part of Declarant to repair, replace or cure any claimed defect.

Each Owner accepts these covenants, conditions and dispute resolution procedures on behalf of Owner's children and other occupants of the Residence and Lot with the intent that all such parties are to be bound hereby. In addition, each Owner's continuing obligation under this Section 2 shall be binding upon each Owner and Owner's successors and assigns. Accordingly, if the Owner sells or otherwise transfers ownership of Owner's Residence and Lot to any other person during the ten (10) year period commencing with the earlier of substantial completion of the Improvements or the date of recordation of a valid Notice of Completion with the appropriate governmental agency with respect to the Residence or other Improvements on the Lot, as such period may be extended by any applicable tolling statute or provision, each Owner covenants and agrees to give such other person written notice of these procedures by personal delivery.

(a) Disputes Relating to Defects in Construction – Owner's Residence and Other Improvements: This category of disputes (which are referred to herein as "**Construction Defect Disputes**") includes any Disputes asserted by or on behalf of any Owner against any director, officer, shareholder, partner, employee or agent of Declarant (collectively, "**Declarant Parties**"), seeking recovery of damages relating to violations of the functionality standards set forth in SB 800 (*California Civil Code* §§ 896-897). Construction Defect Disputes shall be resolved in accordance with Section 2(d), below. In the event that those dispute resolution procedures fail to resolve the Construction Defect Disputes, the matter(s) shall be resolved by binding arbitration in accordance with Section 2(e), below.

(b) Other Disputes and Disputes Between Owner and Declarant: The second category of Disputes that are subject to this Section 2 includes any other dispute asserted by or on behalf of an Owner against Declarant and any Declarant Parties involving the purchase agreement between Owner and Declarant (including, without limitation, Disputes for breach of contract, fraud, or misrepresentation), Disputes involving alleged breaches of the Management Documents (including, without limitation, Disputes alleging a breach of the Declaration or Disputes for fraud or breach of fiduciary duty), and any Disputes involving alleged breaches of any other documents provided by Declarant or any Declarant Parties to an Owner in connection with the purchase of a Residence and Lot. Disputes within this category shall be resolved pursuant to the arbitration procedures set forth in Section 2(e), below.

Collectively, the potential parties on either side of any Disputes, as defined above, shall be referred to in this Section 2 as the "**Parties.**"

(c) Resort to Customer Service and Warranty Programs. If Declarant has a customer service program in effect to respond to complaints regarding matters that are identified as Disputes in Section 2(a), above, Owners are encouraged to endeavor to resolve those Disputes with Declarant through the normal customer service procedures set forth in the customer service program or in any contractual, warranty, or other

builder-generated document, including, without limitation, the Limited Warranty and Performance Standards included in the Warranty Information section of Declarant's Homeowner's Manual provided to each Owner. Any requests that the Owner makes, or notices provided by an Owner to Declarant, pursuant to such warranties or customer service procedures are in addition to, and shall not constitute satisfaction of, the notice requirements identified in Section 2(d), below, that apply to Construction Defect Disputes. In the event that customer service procedures or Declarant's Limited Warranty procedures fail to resolve the Dispute, the matter(s) shall be resolved by binding arbitration in accordance with Section 2(e), below.

(d) Construction Defect Disputes: Resort to SB 800 Pre-Litigation Inspection and Right-to-Repair Procedures. If an Owner's Dispute cannot be resolved between the Parties through the customer service program process or applicable warranty procedures, and the Dispute is a Construction Defect Dispute, the Dispute shall first be subject to the applicable non-adversarial dispute resolution procedures identified in this Section 2(d). In the event that those dispute resolution procedures fail to resolve the Dispute, the matter(s) shall be resolved by binding arbitration in accordance with Section 2(e), below. **AS AUTHORIZED UNDER CHAPTER 4 OF SB 800 (CIVIL CODE § 910, ET SEQ.), DECLARANT ELECTS TO USE THE STATUTORY PRE-LITIGATION PROCEDURE OF SB 800 TO RESOLVE CLAIMS MADE UNDER CIVIL CODE §§ 910-938. EACH OWNER AND DECLARANT AGREE THAT ANY CLAIM MADE UNDER CIVIL CODE § 910 SHALL BE RESOLVED IN ACCORDANCE WITH THE STATUTORY PRE-LITIGATION PROCEDURES SET FORTH IN CIVIL CODE §§ 910 THROUGH 938. EACH OWNER SHALL FURNISH TO ANY PERSON(S) WHO PURCHASE THE LOT AND RESIDENCE FROM THE OWNER EACH OF THE DOCUMENTS PROVIDED BY DECLARANT TO THE OWNER IN CONJUNCTION WITH THE PURCHASE OF THE LOT AND RESIDENCE BY OWNER. IN THE EVENT THE DISPUTE CANNOT BE RESOLVED USING THE STATUTORY PRE-LITIGATION PROCEDURES SET FORTH IN CHAPTER 4 OF SB 800, THE DISPUTE SHALL BE RESOLVED IN ACCORDANCE WITH THE BINDING RESOLUTION PROCEDURES SET FORTH IN THE ARBITRATION PROVISION SET FORTH IN SECTION 2(E), BELOW.**

PRIOR TO THE INITIATION OF ANY ARBITRATION TO RESOLVE DISPUTED CLAIMS IN ACCORDANCE WITH SECTION 2(E), BELOW, EACH OWNER SHALL COMPLY WITH PROVISIONS OF CIVIL CODE §§ 910 THROUGH 938 (AS SUCH SECTIONS MAY BE AMENDED FROM TIME TO TIME) WHICH SET FORTH THE REQUIRED NOTICE AND NON-ADVERSARIAL PRE-LITIGATION DISPUTE RESOLUTION PROCEDURES. ANY NOTICE TO BE GIVEN BY EACH OWNER TO DECLARANT UNDER THIS SECTION 2(D) SHALL BE GIVEN IN ACCORDANCE WITH SECTION 2(F), BELOW.

(e) ARBITRATION. In the event that any Dispute is not resolved pursuant to Sections 2(c) or 2(d), above, the Dispute shall be resolved by binding arbitration in accordance with this Section 2(e).

(i) Agreement to Arbitrate Disputes; Application of Federal Arbitration Act. **THE CONSTRUCTION AND SALE OF THE LOTS AND RESIDENCES INVOLVES INTERSTATE COMMERCE WITH TRADES AND SUPPLIERS OUTSIDE OF CALIFORNIA. ANY DISPUTES THAT ARE NOT RESOLVED PURSUANT TO SECTIONS 2(C) OR 2(D), ABOVE, SHALL BE**

RESOLVED BY BINDING ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT (TITLE 9 OF THE UNITED STATES CODE) AND THE CALIFORNIA ARBITRATION ACT (TO THE EXTENT THAT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT). PURSUANT TO THIS SECTION 2(E), EACH OWNER AND DECLARANT ARE GIVING UP ANY RIGHTS EITHER OF THEM MAY OTHERWISE POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. DECLARANT AND EACH OWNER ARE GIVING UP THEIR RESPECTIVE JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SECTION 2(E). IF EITHER DECLARANT OR ANY OWNER ASSERTING THE CLAIM REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, SUCH PARTY MAY BE COMPELLED TO ARBITRATION UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT.

(ii) Use of American Arbitration Association Home Construction Arbitration Rules. Any and all arbitrations commenced by any of the Parties and/or Limited Warranty shall be filed with and administered by the American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds \$250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three (3) arbitrators; however, if mutually agreed to by the Parties, then the Dispute shall be heard and determined by one (1) arbitrator. Arbitrators shall have the expertise in the area(s) of Dispute, which may include legal expertise if legal expertise issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any Party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties. Each Owner may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

(iii) Effect of Partial Invalidity. The waiver or invalidity of any portion of this Section 2(e) shall not affect the validity or enforceability of the remaining portions of this Section 2(e).

(iv) Inclusion of Necessary Parties; Mutuality of Parties. Each Owner and Declarant further agree (1) that any Dispute involving Declarant's affiliates, directors, officers, employees and agents shall also be subject to arbitration as set forth herein, and shall not be pursued in a

court of law or equity; (2) that Declarant may, at its sole election, include Declarant's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the arbitration; and (3) that the arbitration will be limited to the parties specified herein. To the fullest extent permitted by applicable law, each Owner and Declarant agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is a mutuality of parties. In addition, each Owner and Declarant further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.

(v) **Attorneys' Fees and Other Dispute Resolution Costs.** Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

(vi) **Seeking Injunctive Relief Shall Not Constitute a Waiver of Arbitration.** If either Declarant or any Owner seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to arbitration. The right to arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief has been filed with a court.

(f) **NOTICES TO DECLARANT REGARDING CONSTRUCTION DEFECT DISPUTES.** All notices of Construction Defect Disputes made pursuant to *Civil Code* §§ 910, *et seq.*, shall be in writing and delivered to Declarant's agent for service. Declarant's agent for service of notices pursuant to Chapter 4 of Title 7, Section 912(e) of the *California Civil Code* shall be: Meritage Homes of California, Inc., 17851 North 85th Street, Suite 300, Scottsdale, Arizona 85255, Attn: Legal Department.

(g) **Service of Notices:** The notices to be served on Declarant may be served by first class, certified mail, overnight or personal delivery. If served by first class certified mail, service shall be deemed to be complete and received by Declarant on the third (3rd) business day following the deposit of the notice in the U.S. mail. If the notice is served by overnight delivery (e.g., Federal Express, UPS, etc.), service shall be deemed complete and received by Declarant on the next business day after it is deposited with the delivery service. If the notice is served personally, service shall be

deemed complete on the date of delivery. These presumptions may be rebutted by Declarant if the notice is not actually received.

(h) Claims Filing Period: Nothing stated in this Section 2, Article VII is intended nor shall it extend any time period in which a Dispute must be filed under the Right to Repair Act, nor shall it extend any applicable statutes of limitation or repose, except as expressly provided by law.

11. Section 9 of Article VII is *deleted* in its entirety and the following is substituted in lieu thereof:

Section 9. Amendments. Except as set forth herein, this Declaration may be amended only by the affirmative vote or written consent of Owners representing not less than sixty-seven percent (67%) of the Lots in the Project. Any amendments to the Declaration pertaining, affecting or relating to the maintenance of any park, open space or detention basin may not be made without the approval of the Planning Director of the County, and this Declaration may not be terminated or substantially amended without the prior written consent of the County. Notwithstanding any other provision, except for any amendments requiring the approval of the Planning Director of the County, for so long as Declarant owns any portion of the Project, Declarant (including any assignee of Declarant pursuant to a written and recorded assignment of Declarant's rights) may unilaterally amend this Declaration to (i) conform this Declaration to the requirements of the FNMA, FHLMC, GNMA, VA, DRE, the County, State, or any other governmental or quasi-governmental agency or entity then in effect; (ii) comply with any County, State or Federal laws, regulations, codes, requirements or requests; (iii) correct typographical or inadvertent errors in the Declaration and/or Exhibits attached thereto; (iv) supplement, revise, omit, and/or correct provisions which pertain to rights or obligations of Declarant or Owners arising under Division 2, Part 2, Title 7 (commencing with Section 895) of the *California Civil Code*; and/or (v) include maintenance recommendations/schedules for the Project as determined by the Declarant. This amendment shall not be amended to allow amendments by less than the percentages set forth hereinabove, nor shall any provision herein regarding Declarant's rights be amended without Declarant's consent. Notwithstanding the foregoing, any Owner may petition the Superior Court of the County for an order reducing the necessary percentage required under this Section to amend this Declaration. The procedure for effecting this petition is set forth in *California Civil Code* § 1356, as amended from time to time. An amendment made in accordance with the provisions set forth herein shall be effective when it is set forth in writing, executed before a notary public by the requisite number of Owners and recorded in the Office of the County Recorder, and upon such recordation, the amendment shall be effective and binding on all Owners and all mortgagee connected to such amendment.

12. Section 12 of Article VII, including all of its subsections, of the Declaration, are *deleted* in their entirety.

13. Except as expressly stated herein, all of the provisions of the Declaration are restated and affirmed and shall remain in full force and effect. In addition, all provisions of the Master Declaration are restated and affirmed and shall remain in full force and effect.

14. This Second Amendment shall be effective upon the date of its recordation in the Official Records of Riverside County, State of California.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the undersigned has executed this Second Amendment.

DATED: September _____, 2011

MERITAGE HOMES OF CALIFORNIA, INC.
a California corporation

By: 

Name: Linda Edwards

Title: Division President

ACKNOWLEDGMENT

(In accordance with Section 1189 of the California Civil Code)

State of California

County of Riverside} ss.

On September 23, 2011 before me, Katherine L Chavez, Notary Public, personally appeared Linda Edwards, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person 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

Katherine L Chavez
Katherine L Chavez, Notary Public, # 1837848
(My Commission Expires Feb 22, 2013)



(seal)

RECORDING REQUESTED BY
First American Title Company
Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:
John Sample
00 Any Street
Winchester, CA

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:

The undersigned grantor(s) declare(s):
CITY TRANSFER TAX \$
DOCUMENTARY TRANSFER TAX \$
SURVEY MONUMENT FEE \$

Computed on the consideration or value of property conveyed; OR
Computed on the consideration or value less liens or encumbrances remaining at
time of sale.

Signature of Declarant or Agent determining tax

APN - - -

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **MERITAGE HOMES OF CALIFORNIA, INC.,**
a California corporation ("**GRANTOR**"),

hereby GRANT(S) to JOHN SAMPLE, a single man ("**GRANTEE**"), the real property in the town of Winchester which is in an
unincorporated area of the County of Riverside, State of California, described as

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Dated

STATE OF CALIFORNIA }
COUNTY OF Riverside }ss.

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation

On 9/23/11 before me Katherine L. Chavez a Notary Public
in and for said State, personally appeared Linda Edwards
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.

BY:

Linda Edwards
LINDA EDWARDS, DIVISION PRESIDENT

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 Katherine L. Chavez

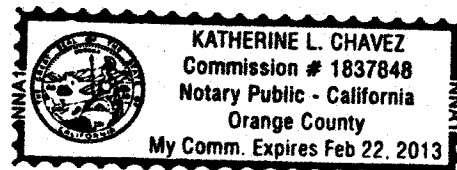


EXHIBIT "A"

Parcel 1:

LOT ____, AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT NO. 32171, WHICH MAP WAS FILED ON _____, 2011, IN BOOK ____ OF MAPS, AT PAGES ____ THROUGH _____, INCLUSIVE, IN THE OFFICIAL RECORDS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

RESERVING THEREFROM IN FAVOR OF GRANTOR and its successors and assigns, together with the right to grant and transfer all or a portion of the following: the right to place on, under or across said property, transmission lines, connections, conduit and other facilities and systems for: (i) a community antenna television system (CATV); (ii) alarm system cabling; and (iii) electric, gas, cable television, telephone, communication and information technology, water, sewer and drainage facilities and systems, together with the right to enter upon said property to service, maintain, repair, reconstruct and replace said lines, connections, conduit and other facilities and systems (provided that the exercise of such right of entry shall not unreasonably interfere with Grantee's reasonable use and enjoyment of said property), and the right to own and convey such lines, connections, conduit and other facilities and systems.

ALSO RESERVING THEREFROM IN FAVOR OF GRANTOR and its successors and assigns, nonexclusive easements for the installation, maintenance and repair of utilities and related facilities (including, but not limited to, electrical, gas, telephone, cable television, water and sewer lines, utility meters, storm drains, street lights, mail receptacles, fire hydrants and traffic signs) as shown on the Map or otherwise of record.

FURTHER RESERVING THEREFROM IN FAVOR OF GRANTOR and its successors and assigns, the right to enter upon the above-described property for a period of twelve (12) months following the recordation of this deed to construct, install, maintain, repair, replace and/or reconstruct utilities (including, but not limited to, electrical, gas, telephone, cable television, water and sewer lines, utility meters and storm drains), street lights, traffic signs, landscaping and/or other improvements in order for Grantor to comply with any requirement or condition imposed by a utility company, public agency or government entity in connection with the development and construction of such property or any adjoining properties. This right of entry may be exercised by the employees, contractors, subcontractors or other designees of Grantor. Grantor shall give Grantee reasonable notice prior to exercising such right of entry; provided, however, such right of entry shall be immediate and without notice in the event of an emergency. In the event any damage to Grantee's property is proximately caused by or directly result from said right of entry, Grantor shall, at Grantor's expense, repair and restore Grantee's property to substantially the same condition as existed prior to exercising such right of entry. Grantee hereby covenants and agrees not to obstruct or otherwise interfere with the right of entry reserved herein. Grantor shall be entitled to specifically enforce this covenant, and Grantee shall be liable for all costs, expenses, damages and other liability (including actual attorney's fees and court costs) arising from a breach of this covenant by Grantee.

Parcel 2:

Nonexclusive easements for ingress, egress, access, maintenance, repairs, drainage, encroachment, support, use, enjoyment and all other purposes as described in those certain

Amended and Restated Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Dutch Village recorded on October 29, 1991, as Document No. 374212, that certain Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Kona Road recorded April 24, 2006, as Document No. 2006-0293841, that certain Grant Deed (including Additional Covenants) recorded September 24, 2010, as Document No. 2010-0459541, that certain First Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Kona Road recorded March 18, 2011, as Document No. 2011-0123827, that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Kona Road recorded _____, 2011, as Document No. 2011-_____, and any proper amendments, modifications or annexations thereto are hereby incorporated by reference into the body of this instrument the same as though fully set forth herein (collectively, the "**Declaration**"), all of which are recorded in the Official Records of Riverside County, California. Grantee has read, understands, and agrees to be bound by each and every term, condition and covenant described in the Declaration.

SUBJECT TO:

1. Non-delinquent general and special real property taxes and assessments, if any, for the current fiscal year;

2. The Declaration;

3. All other covenants, conditions, restrictions, easements, rights, rights-of-way, and other matters of record or apparent or known to Grantee; and

4. Grantee hereby acknowledges and agrees that the real property conveyed by this deed (the "**Property**") shall be held, conveyed, encumbered, used and occupied subject to the following additional covenants, conditions and restrictions (collectively referred to as the "**Right to Repair Restrictions**"). The Right to Repair Restrictions set forth herein are intended to and shall be construed as covenants running with the Property and as equitable servitudes upon the Property, and each and all of the Right to Repair Restrictions shall be binding upon and burden Grantee and all persons and/or entities acquiring any right, title or interest in the Property (during their ownership of such interest) and their successors and assigns and shall inure to the benefit of Grantor and its successors and assigns regardless of whether these Right to Repair Restrictions are referenced or incorporated in any subsequent conveyances, instruments or deeds. The Right to Repair Restrictions shall terminate and be of no further force and effect upon the first of the following to occur: (a) repeal or judicial invalidation of the Right to Repair Law (*California Civil Code* § 895, *et seq.*); (b) the expiration of any and all applicable statutes of limitations or repose for the filing of any form of legal proceedings against Grantor in any way relating to or arising out of the development, construction and/or sale of the Property by Grantor, or (c) the fifteenth (15th) anniversary of the date of the recordation of this deed in the Official Records of the County of Riverside.

(i) MAINTENANCE OBLIGATIONS. Grantee, by accepting title to the Property, acknowledges that Grantor has provided, and Grantee has received, the "**Making Ownership Easy and Delightful Homeowners' Manual**" ("**Homeowner's Manual**") as of the date of this deed. Notwithstanding the foregoing, Grantee acknowledges that Grantor reserves the right, by written notice to Grantee, to supplement

and/or amend the Homeowner's Manual from time to time. Grantee understands and agrees that Grantee shall follow all maintenance obligations and schedules contained in the Homeowner's Manual, and all other materials provided to Grantee by Grantor. In addition, Grantee agrees to adhere to all other commonly accepted maintenance practices in Grantee's use and ownership of the Property. Grantee agrees to keep and maintain the Homeowner's Manual and any other documents provided by Grantor and to provide any subsequent purchaser of the Property with all such documents, as required by the Right to Repair Law, and to instruct any subsequent purchaser to provide to their subsequent purchaser a complete copy of all documents.

(ii) LIMITED WARRANTY. Grantee certifies and acknowledges that on or prior to the date of the recordation of this deed, Grantor provided, and Grantee has received, the Limited Warranty and Performance Standards ("**Limited Warranty**") included in the Warranty Information section of the Homeowner's Manual provided to Grantee by Grantor. Section 900 of the *California Civil Code*, which is part of the Right to Repair Law, requires builders to provide homebuyers with a minimum one-year express written limited warranty covering the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes, and trim (a "Fit and Finish Warranty"). The Limited Warranty that has been provided to Grantee is intended to provide Grantee with protections that are equal to or greater than the protection provided by the statutory Fit and Finish Warranty. Notwithstanding, to the extent that the length of any statute of limitation, performance standard, mechanism for claims resolution or any other provision set forth in the Limited Warranty offers Grantee less protection than the Right to Repair Law, the provisions of the Right to Repair Law shall govern and control. In the event that any claim initiated by Grantee pursuant to the terms of the Limited Warranty or Right to Repair Law fail to fully resolve any dispute between Grantor and Grantee, Grantee agrees to proceed in accordance with the arbitration provisions set forth in the purchase agreement between Grantor and Grantee, or, as to subsequent owners of the Property, the arbitration provisions set forth in the Declaration, which are incorporated herein by reference as if set forth in full. Grantee agrees to keep and maintain the Limited Warranty provided by Grantor and to provide any subsequent purchaser of the Property with the Limited Warranty, and to instruct any subsequent purchaser to provide to their subsequent purchaser a complete copy of the Limited Warranty.

(iii) ACKNOWLEDGEMENT OF RIGHT TO REPAIR LAW. Grantor hereby notifies Grantee of the existence of the non-adversarial pre-litigation procedures set forth in the Right to Repair Law, notice of which has been or will be recorded on the Property at or prior to Close of Escrow for the Property. Grantee acknowledges that Grantor has provided the name and address of the agent for notice of claims pursuant to Section 912(e) of the Right to Repair Law, that Grantor intends to engage in the Right to Repair Law procedures with respect to any formal claim initiated by Grantee, and that in the event that the non-adversarial pre-litigation procedures are not successful to resolve any applicable dispute, that disputes will be resolved through mediation and, if that is not successful, then arbitration, as set forth in the purchase agreement between Grantor and Grantee, which are incorporated herein by reference as if set forth in full, and shall apply to all subsequent purchasers and owners of the Property.

(iv) INDEMNITY OF GRANTOR BY GRANTEE. Grantee, by accepting title to the Property, hereby covenants to indemnify, defend and hold Grantor harmless from any

loss, costs, expenses or damages arising from Grantee's failure or refusal to perform Grantee's obligations under these Right to Repair Restrictions.

(v) MORTGAGEE PROTECTION. A violation of any of the Right to Repair Restrictions set forth herein shall not affect or impair the lien or charge of any bona fide mortgage or deed of trust made in good faith and for value on the Property; provided, however, that all persons and/or entities now or hereafter acquiring any interest in the Property shall be bound by the Right to Repair Restrictions set forth herein, without regard to whether such owner's title was acquired by foreclosure, trustee's sale or otherwise.

(vi) SEVERABILITY. In the event any of the Right to Repair Restrictions set forth herein shall be held to be unenforceable for any reason, the remaining Right to Repair Restrictions shall remain in full force and effect.

THIS DEED is made and accepted and the real property described herein is hereby granted subject to the covenants, conditions and restrictions, easements, rights, liens charges, limitations, uses and other terms and provisions (collectively, the "**Protective Covenants**") set forth in the Declaration and/or herein, which are hereby made a part hereof and expressly imposed on the real property by reference, and this grant is expressly conditioned upon the performance by Grantee of the Protective Covenants to be performed by Grantee thereunder.

GRANTEE, in accepting this deed and the conveyance hereunder, hereby covenants (individually and jointly), for the benefit of Grantor, and for the benefit of all other owners of real property bound by the Declaration, that Grantee will promptly, fully and faithfully comply with all of the Protective Covenants. This grant is expressly conditioned upon the performance by Grantee of those Protective Covenants to be performed by Grantee thereunder and this covenant shall run with the land and be binding upon Grantee and Grantee's successors, assigns and grantees.

"GRANTEE"

RECORDING REQUESTED BY
First American Title Company
Order No.
Escrow No.
Loan No.
WHEN RECORDED MAIL TO:
John Sample
00 Any Street
Winchester, CA

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:

The undersigned grantor(s) declare(s):
CITY TRANSFER TAX \$
DOCUMENTARY TRANSFER TAX \$
SURVEY MONUMENT FEE \$
Computed on the consideration or value of property conveyed; OR
Computed on the consideration or value less liens or encumbrances remaining at
time of sale.

Signature of Declarant or Agent determining tax

APN 480- - -

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **MERITAGE HOMES OF CALIFORNIA, INC.,**
a California corporation ("**GRANTOR**"),

hereby GRANT(S) to JOHN SAMPLE, a single man ("**GRANTEE**"), the real property in the town of **Winchester** which is in an
unincorporated area of the County of **Riverside**, State of California, described as

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Dated

STATE OF CALIFORNIA }
COUNTY OF Riverside } ss.

On 9/23/11 before me Katherine L. Chavez, a Notary Public
in and for said State, personally appeared Linda Edwards
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 Katherine Chavez

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation

BY: Linda Edwards

LINDA EDWARDS, DIVISION PRESIDENT



EXHIBIT "A"

Parcel 1:

LOT ____, AS SHOWN ON THAT CERTAIN MAP ENTITLED TRACT NO. 31330, WHICH MAP WAS FILED ON APRIL 14, 2006, IN BOOK 400 OF MAPS, AT PAGES 90 THROUGH 93, INCLUSIVE, IN THE OFFICIAL RECORDS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

RESERVING THEREFROM IN FAVOR OF GRANTOR and its successors and assigns, together with the right to grant and transfer all or a portion of the following: the right to place on, under or across said property, transmission lines, connections, conduit and other facilities and systems for: (i) a community antenna television system (CATV); (ii) alarm system cabling; and (iii) electric, gas, cable television, telephone, communication and information technology, water, sewer and drainage facilities and systems, together with the right to enter upon said property to service, maintain, repair, reconstruct and replace said lines, connections, conduit and other facilities and systems (provided that the exercise of such right of entry shall not unreasonably interfere with Grantee's reasonable use and enjoyment of said property), and the right to own and convey such lines, connections, conduit and other facilities and systems.

ALSO RESERVING THEREFROM IN FAVOR OF GRANTOR and its successors and assigns, nonexclusive easements for the installation, maintenance and repair of utilities and related facilities (including, but not limited to, electrical, gas, telephone, cable television, water and sewer lines, utility meters, storm drains, street lights, mail receptacles, fire hydrants and traffic signs) as shown on the Map or otherwise of record.

FURTHER RESERVING THEREFROM IN FAVOR OF GRANTOR and its successors and assigns, the right to enter upon the above-described property for a period of twelve (12) months following the recordation of this deed to construct, install, maintain, repair, replace and/or reconstruct utilities (including, but not limited to, electrical, gas, telephone, cable television, water and sewer lines, utility meters and storm drains), street lights, traffic signs, landscaping and/or other improvements in order for Grantor to comply with any requirement or condition imposed by a utility company, public agency or government entity in connection with the development and construction of such property or any adjoining properties. This right of entry may be exercised by the employees, contractors, subcontractors or other designees of Grantor. Grantor shall give Grantee reasonable notice prior to exercising such right of entry; provided, however, such right of entry shall be immediate and without notice in the event of an emergency. In the event any damage to Grantee's property is proximately caused by or directly result from said right of entry, Grantor shall, at Grantor's expense, repair and restore Grantee's property to substantially the same condition as existed prior to exercising such right of entry. Grantee hereby covenants and agrees not to obstruct or otherwise interfere with the right of entry reserved herein. Grantor shall be entitled to specifically enforce this covenant, and Grantee shall be liable for all costs, expenses, damages and other liability (including actual attorney's fees and court costs) arising from a breach of this covenant by Grantee.

Parcel 2:

Nonexclusive easements for ingress, egress, access, maintenance, repairs, drainage, encroachment, support, use, enjoyment and all other purposes as described in those certain

Amended and Restated Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Dutch Village recorded on October 29, 1991, as Document No. 374212, that certain Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Kona Road recorded April 24, 2006, as Document No. 2006-0293841, that certain Grant Deed (including Additional Covenants) recorded September 24, 2010, as Document No. 2010-0459541, that certain First Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Kona Road recorded March 18, 2011, as Document No. 2011-0123827, that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Kona Road recorded _____, 2011, as Document No. 2011-_____, and any proper amendments, modifications or annexations thereto are hereby incorporated by reference into the body of this instrument the same as though fully set forth herein (collectively, the "**Declaration**"), all of which are recorded in the Official Records of Riverside County, California. Grantee has read, understands, and agrees to be bound by each and every term, condition and covenant described in the Declaration.

SUBJECT TO:

1. Non-delinquent general and special real property taxes and assessments, if any, for the current fiscal year;

2. The Declaration;

3. All other covenants, conditions, restrictions, easements, rights, rights-of-way, and other matters of record or apparent or known to Grantee; and

4. Grantee hereby acknowledges and agrees that the real property conveyed by this deed (the "**Property**") shall be held, conveyed, encumbered, used and occupied subject to the following additional covenants, conditions and restrictions (collectively referred to as the "**Right to Repair Restrictions**"). The Right to Repair Restrictions set forth herein are intended to and shall be construed as covenants running with the Property and as equitable servitudes upon the Property, and each and all of the Right to Repair Restrictions shall be binding upon and burden Grantee and all persons and/or entities acquiring any right, title or interest in the Property (during their ownership of such interest) and their successors and assigns and shall inure to the benefit of Grantor and its successors and assigns regardless of whether these Right to Repair Restrictions are referenced or incorporated in any subsequent conveyances, instruments or deeds. The Right to Repair Restrictions shall terminate and be of no further force and effect upon the first of the following to occur: (a) repeal or judicial invalidation of the Right to Repair Law (*California Civil Code* § 895, *et seq.*); (b) the expiration of any and all applicable statutes of limitations or repose for the filing of any form of legal proceedings against Grantor in any way relating to or arising out of the development, construction and/or sale of the Property by Grantor, or (c) the fifteenth (15th) anniversary of the date of the recordation of this deed in the Official Records of the County of Riverside.

(i) MAINTENANCE OBLIGATIONS. Grantee, by accepting title to the Property, acknowledges that Grantor has provided, and Grantee has received, the "**Making Ownership Easy and Delightful Homeowners' Manual**" ("**Homeowner's Manual**") as of the date of this deed. Notwithstanding the foregoing, Grantee acknowledges that Grantor reserves the right, by written notice to Grantee, to supplement

and/or amend the Homeowner's Manual from time to time. Grantee understands and agrees that Grantee shall follow all maintenance obligations and schedules contained in the Homeowner's Manual, and all other materials provided to Grantee by Grantor. In addition, Grantee agrees to adhere to all other commonly accepted maintenance practices in Grantee's use and ownership of the Property. Grantee agrees to keep and maintain the Homeowner's Manual and any other documents provided by Grantor and to provide any subsequent purchaser of the Property with all such documents, as required by the Right to Repair Law, and to instruct any subsequent purchaser to provide to their subsequent purchaser a complete copy of all documents.

(ii) LIMITED WARRANTY. Grantee certifies and acknowledges that on or prior to the date of the recordation of this deed, Grantor provided, and Grantee has received, the Limited Warranty and Performance Standards ("**Limited Warranty**") included in the Warranty Information section of the Homeowner's Manual provided to Grantee by Grantor. Section 900 of the *California Civil Code*, which is part of the Right to Repair Law, requires builders to provide homebuyers with a minimum one-year express written limited warranty covering the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes, and trim (a "Fit and Finish Warranty"). The Limited Warranty that has been provided to Grantee is intended to provide Grantee with protections that are equal to or greater than the protection provided by the statutory Fit and Finish Warranty. Notwithstanding, to the extent that the length of any statute of limitation, performance standard, mechanism for claims resolution or any other provision set forth in the Limited Warranty offers Grantee less protection than the Right to Repair Law, the provisions of the Right to Repair Law shall govern and control. In the event that any claim initiated by Grantee pursuant to the terms of the Limited Warranty or Right to Repair Law fail to fully resolve any dispute between Grantor and Grantee, Grantee agrees to proceed in accordance with the arbitration provisions set forth in the purchase agreement between Grantor and Grantee, or, as to subsequent owners of the Property, the arbitration provisions set forth in the Declaration, which are incorporated herein by reference as if set forth in full. Grantee agrees to keep and maintain the Limited Warranty provided by Grantor and to provide any subsequent purchaser of the Property with the Limited Warranty, and to instruct any subsequent purchaser to provide to their subsequent purchaser a complete copy of the Limited Warranty.

(iii) ACKNOWLEDGEMENT OF RIGHT TO REPAIR LAW. Grantor hereby notifies Grantee of the existence of the non-adversarial pre-litigation procedures set forth in the Right to Repair Law, notice of which has been or will be recorded on the Property at or prior to Close of Escrow for the Property. Grantee acknowledges that Grantor has provided the name and address of the agent for notice of claims pursuant to Section 912(e) of the Right to Repair Law, that Grantor intends to engage in the Right to Repair Law procedures with respect to any formal claim initiated by Grantee, and that in the event that the non-adversarial pre-litigation procedures are not successful to resolve any applicable dispute, that disputes will be resolved through mediation and, if that is not successful, then arbitration, as set forth in the purchase agreement between Grantor and Grantee, which are incorporated herein by reference as if set forth in full, and shall apply to all subsequent purchasers and owners of the Property.

(iv) INDEMNITY OF GRANTOR BY GRANTEE. Grantee, by accepting title to the Property, hereby covenants to indemnify, defend and hold Grantor harmless from any

loss, costs, expenses or damages arising from Grantee's failure or refusal to perform Grantee's obligations under these Right to Repair Restrictions.

(v) MORTGAGEE PROTECTION. A violation of any of the Right to Repair Restrictions set forth herein shall not affect or impair the lien or charge of any bona fide mortgage or deed of trust made in good faith and for value on the Property; provided, however, that all persons and/or entities now or hereafter acquiring any interest in the Property shall be bound by the Right to Repair Restrictions set forth herein, without regard to whether such owner's title was acquired by foreclosure, trustee's sale or otherwise.

(vi) SEVERABILITY. In the event any of the Right to Repair Restrictions set forth herein shall be held to be unenforceable for any reason, the remaining Right to Repair Restrictions shall remain in full force and effect.

THIS DEED is made and accepted and the real property described herein is hereby granted subject to the covenants, conditions and restrictions, easements, rights, liens charges, limitations, uses and other terms and provisions (collectively, the "**Protective Covenants**") set forth in the Declaration and/or herein, which are hereby made a part hereof and expressly imposed on the real property by reference, and this grant is expressly conditioned upon the performance by Grantee of the Protective Covenants to be performed by Grantee thereunder.

GRANTEE, in accepting this deed and the conveyance hereunder, hereby covenants (individually and jointly), for the benefit of Grantor, and for the benefit of all other owners of real property bound by the Declaration, that Grantee will promptly, fully and faithfully comply with all of the Protective Covenants. This grant is expressly conditioned upon the performance by Grantee of those Protective Covenants to be performed by Grantee thereunder and this covenant shall run with the land and be binding upon Grantee and Grantee's successors, assigns and grantees.

"GRANTEE"
