

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Corona
400 S. Vicentia Avenue
Corona, CA 92882
Attn: Planning & Development Director

APNs: 103-200-088 and 103-200-089

SPACE ABOVE FOR RECORDER'S USE ONLY
EXEMPT FROM RECORDING FEE PER
GOVERNMENT CODE §27383 AND §27388.1(a)(2)(D)

**CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT - FOR-SALE HOUSING
WITH MERITAGE HOMES OF CALIFORNIA, INC.
(1717 Via Del Rio, Corona, CA 92882)
CMC CHAPTER 17.87**

1. PARTIES AND DATE.

This Density Bonus Housing Agreement (“Agreement”) is made and entered into this *****INSERT DATE OF CITY COUNCIL APPROVAL***** day of *****INSERT MONTH*****, *****INSERT YEAR***** (“Effective Date”) by and between the City of Corona, a municipal corporation organized under the laws of the State of California with its principal place of business at 400 South Vicentia Avenue, Corona, California 92882 (“City”) and Meritage Homes of California, Inc., a California Corporation with its principal place of business at 230 Progress, Irvine, CA 92618 (“Owner”). City and Owner are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

2. RECITALS.

2.1 Owner. Owner is the current owner in fee of certain real property located at 1717 Via Del Rio, Corona, in Riverside County, California, and designated as Assessor Parcel Number(s) 103-200-088 and 103-200-089, as described and depicted in **Exhibit “A”** attached hereto and incorporated herein by reference (“Property”).

2.2 Housing Development Project. Owner proposes to construct a Housing Development, as that term is defined in Corona Municipal Code (“CMC”) Section 17.87.020, on the Property consisting of fifty-seven (57) dwelling units (“Residential Units”), which will be known as Vantage project (“Project”).

2.3 Density Bonus Law. Under Government Code Section 65915 *et seq.* (“State Density Bonus Law”) and CMC Chapter 17.87, the City must, upon the request of an applicant, grant a density bonus and/or certain incentives/concessions or waivers/modifications for any

development applicant that seeks and agrees to construct a minimum number of residential units that are affordable to moderate, lower and/or very low income households.

2.4 Project Entitlements. The City Council's approval of the Project includes the following entitlements:

- (a) Election to use the parking standard in Government Code Section 65915(p)(1) which requires 104 parking spaces for the project instead of the 164 parking spaces required by CMC Section 1776.030(A)(5). The project will have 129 parking spaces, a surplus of 25 parking spaces from the minimum requirement using Government Code Section 65915(p)(1);
- (b) Waivers from the following:
 - a. CMC Section 17.24.200(B). Waiver in its entirety of the indoor recreation facility requirement for residential projects consisting of 20 or more dwellings;
 - b. CMC Section 17.24.100(A). Waiver to reduce the required 20-foot minimum front yard setback requirement to 18 feet along Via Del Rio;
 - c. CMC Section 17.82.030(A)(2)(a)(3). Waiver to reduce the required 15-foot minimum street (collector) side yard setback to 13 feet along Avenida Del Vista;
 - d. CMC Section 17.82.030(A)(2)(a)(5). Waiver to reduce the required 25-foot minimum building separation for three-story buildings to 18 feet between Buildings 4 and 5, and 22 feet between Buildings 4 and 6;
- (c) Concession from Section 15.60.080 of the Corona Municipal Code (CMC) regarding the requirement to underground existing overhead utilities when that service to a structure is enlarged or an addition is made thereto for the overhead utilities located along Via Del Rio, adjacent to the project site's frontage (Southern California Edison overhead lines); and
- (d) Conditional Use Permit 2024-0003 (CUP2024-0003), Tentative Tract Map 38934 (TTM 38934) and Affordable Housing Density Bonus Agreement 2024-0001 (AHDB2024-0001).

2.5 Density Bonus Units. In order to qualify for the State Density Bonus Law and CMC Chapter 17.87, Owner has agreed to sell three (3) of the Residential Units on the Property to Qualifying Households (as defined below) at an Affordable Housing Cost (as defined in CMC 17.87.020).

2.6 Agreement. City and Owner desire to enter into this Agreement in accordance with the State Density Bonus Law and CMC Chapter 17.87 to ensure that the Owner will

construct and operate the Project in a manner that will ensure the provision of the required Affordable Units in exchange for the Density Bonus.

3. TERMS.

3.1 Recitals. The Recitals set forth above are true and accurate, and incorporated herein.

3.2 Definitions. For purposes of this Agreement, all defined terms, as indicated by initial capitalization, shall have the meanings set forth in CMC Chapter 17.87, except as expressly indicated otherwise herein. Additionally, the terms listed below shall have the meanings thereafter specified:

3.2.1 Affordable Unit(s). The three (3) dwelling unit(s) that will be offered for sale exclusively to a Qualifying Household at an Affordable Housing Cost during the Term of this Agreement.

3.2.2 CMC. The Corona Municipal Code.

3.2.3 Density Bonus. The density bonus granted to the Project through the Project Approvals, as more specifically described in Section 2.4 of this Agreement.

3.2.4 Director. The Planning and Development Director for the City of Corona or his or her designee.

3.2.5 Occupancy Date. The date the Purchaser Covenant, as more specifically described in Section 3.7, is first recorded against the Affordable Unit.

3.2.6 Project. The Project, as defined in Section 2.2 includes all required or associated on-site and off-site improvements, hardscape improvements, parking areas and landscaping improvements to the Property, in accordance with the Project Approvals, the plans and specifications approved by the City, any conditions imposed by the City in issuing the Project Approvals and any other development entitlements related to the Project and applicable law.

3.2.7 Project Records. Information regarding sales price, principal residency requirement, occupancy status, household and income characteristics of the purchaser of an Affordable Unit, including Income Certification Forms completed by purchasers of the Affordable Units pursuant to Section 3.6.2 of this Agreement.

3.2.8 Project Approvals. As described in Section 2.4 of this Agreement.

3.2.9 Property. That certain real property located within the City of Corona, County of Riverside, State of California, specifically described in the legal description attached as **Exhibit "A"** to this Agreement, which is incorporated into this Agreement by this reference.

3.2.10 Qualifying Household. A household that: (1) resides or intends to reside in an Affordable Unit on the Property; and (2) whose income does not exceed the maximum income allowable for a Very Low Income Household, a Lower Income Household or a Moderate Income Household, as applicable to the Affordable Unit described in Exhibit “B”.

3.2.11 State Density Bonus Law. Chapter 4.3 of Division 1 of Title 7 of the California Government Code (Gov’t Code §§ 65915 *et seq.*).

3.2.12 Term. For each Affordable Unit, the period of forty-five (45) years from the Occupancy Date.

3.2.13 Transfer. Any voluntary or involuntary sale, assignment or transfer of ownership or any interest in an Affordable Unit, including, but not limited to, a fee simple interest, a joint tenancy interest, tenancy in common, a life estate or other limited estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the Affordable Unit is transferred.

3.3 Identification of Affordable Units. The Affordable Units shall be those described in **Exhibit “B”** attached hereto and incorporated herein by reference. The identification of the Affordable Units shall not be changed without the prior written approval of the Director.

3.4 Construction of Affordable Units. The Affordable Units shall be constructed concurrently with or prior to the other Residential Units in the Project, and the Owner shall not receive certificates of occupancy for more than twenty percent (20%) of the market rate Residential Units in the Project, if any, unless and until certificates of occupancy are issued for at least fifty percent (50%) of the Affordable Units, and shall not receive certificates of occupancy for more than seventy percent (70%) of the market rate Residential Units in the Project, if any, unless and until certificates of occupancy are issued for the remaining fifty percent (50%) of the Affordable Units. Whenever the computation of the number of required affordable units results in a fractional unit, the unit requirement shall be rounded to the closest whole number. The Affordable Units shall be dispersed throughout the Project. Owner shall provide the Affordable Units with the same Project amenities as are provided to the other Residential Units in the Project.

3.5 Reservation of Affordable Units for Affordable Housing.

3.5.1 Qualifying Households Only. Owner covenants and agrees to reserve and restrict the Affordable Units for the Term for the purchase, use and residential occupancy of those who, at the time of Transfer by Owner and continuously thereafter (subject to the other provisions of this Agreement), is a Qualifying Household.

3.5.2 Affordable Housing Cost. Owner covenants and agrees, for the benefit of City, that during the Term Owner shall only Transfer the Affordable Units to Qualifying Households at an Affordable Housing Cost.

3.5.3 Rental of Affordable Units. Rental of the Affordable Units is prohibited unless the proposed tenant qualifies as a Qualifying Household.

3.5.4 No Transient Uses. Notwithstanding Section 3.5.3, the Affordable Units shall not be used on a transient basis and shall not be leased or rented for a period of less than twelve (12) months. The Affordable Units will not, at any time, be leased or rented for use as a hotel, motel, time share, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitary or rest home.

3.5.5 Utilization of Affordable Units. No Affordable Unit shall be withdrawn from the market or otherwise held vacant by the Owner during the Term.

3.6 Purchaser Selection and Income Verification.

3.6.1 Purchaser Selection Policies and Criteria. The Owner shall adopt written purchaser selection policies and criteria applicable to the Affordable Units, which shall be subject to the approval of the Director and, to the extent permitted by fair housing and other applicable laws, that:

(a) are consistent with the purpose of providing affordable housing for Qualifying Households at an Affordable Housing Cost;

(b) give first priority to Qualifying Households who reside, work, go to school or have family in the City of Corona;

(c) provide for the selection of purchasers from a written waiting list in the chronological order of their application, insofar as is practicable, or any other method of selection approved by the Director;

(d) give prompt written notice to any rejected applicant of the grounds for rejection;

(e) except as provided in subsection (b) above, do not give preference to any particular class or group of persons except to the extent that the purchaser must be a Qualifying Household;

3.6.2 Determination of Household Income. A good faith determination of Qualifying Household income shall be made by Owner at the time of application by an individual or family for purchase of an Affordable Unit. At the time of application, Owner shall require an applicant to complete an income certification form in a form as approved by the Director (“Income Certification Form”) and certify the accuracy of the information provided on such form.

3.6.3 Verification. Owner shall make a good faith effort to verify the accuracy of income information provided in any Income Certification Form by an applicant for purchase of the Affordable Unit by taking one or more of the following steps, as reasonably required or indicated:

- (a) Obtain an income tax return and copy of each W2 Wage and Earnings Statement for the most recently concluded income tax year;
- (b) Contact a credit reporting agency or conduct a similar search;
- (c) Obtain an income verification form from the Qualifying Household's current employer(s);
- (d) Obtain an income verification form from the United States Social Security Administration or the California Department of Social Services, if the applicant or the Qualifying Household receives assistance from either of such agencies; or
- (e) If the applicant or an adult member of a Qualifying Household is unemployed and has no such income tax return, obtain another form of independent verification.

3.6.4 Evidence. For purposes of this Section, Owner may conclusively rely upon the evidence of the age of a person as presented in a valid California Driver's License or other form of identification issued by the State of California or the United States Government that includes a date of birth and a photograph of the subject person. All such verification information shall only be obtained by Owner after obtaining the Qualifying Household's written consent for the release of such information to Owner. Failure to consent in writing to the release of such income verification information to Owner may disqualify the Qualifying Household for purchase of an Affordable Unit.

3.6.5 Equivalent Purchase Terms. Owner shall apply the same purchase terms and conditions to potential purchasers of the Affordable Units as are applied to all other purchasers of Residential Units within the Project, except as otherwise required to comply with this Agreement (i.e., income requirements) and/or government subsidy programs. Discrimination based on subsidies received by the potential purchaser of an Affordable Unit is prohibited.

3.6.6 Transfer to Qualified Nonprofit Housing Corporation. If, despite bona fide good faith documented marketing efforts, Owner is unable to locate a Qualifying Household to purchase an Affordable Unit within one hundred eighty (180) calendar days after the issuance of a certificate of occupancy for such Affordable Unit, Owner may Transfer such Affordable Unit to a qualified nonprofit housing corporation that meets all of the requirements set forth in Government Code Section 65915(c)(2)(A)(ii) and any other applicable provisions of state law.

3.7 Purchaser Covenant Restricting Sale of Affordable Units. Prior to the close of escrow for each Affordable Unit, Owner shall require the purchaser of the Affordable Unit, for itself, its successors, assignees and affiliates, to execute a covenant or agreement, in substantially the same form as set forth in Exhibit "C" attached hereto and incorporated herein by reference ("Purchaser Covenant"), which form shall include the following provisions:

3.7.1 Incorporation of Density Bonus Housing Agreement. The Purchaser Covenant shall incorporate each and every provision of this Agreement, either expressly or by reference.

3.7.2 Annual Certificate of Compliance. The Purchaser Covenant shall require that the purchaser of the Affordable Unit, on an annual basis, complete and submit to the Director, on an annual basis, a certificate of compliance certifying that the purchaser is in compliance with the requirements of this Agreement and the Purchaser Covenant.

3.7.3 Future Sale or Transfer of Affordable Units. The Purchaser Covenant shall expressly state that during the Term, the Affordable Unit shall only be transferred, sold or resold to Qualifying Households at an Affordable Housing Cost in accordance with CMC Chapter 17.87 and the State Density Bonus Law. The Purchaser Covenant shall require the purchaser of the Affordable Unit to provide written notice to the City at least thirty (30) calendar days prior to the date of a proposed Transfer of the Affordable Unit, along with evidence satisfactory to the Director that the Affordable Unit will be transferred to a Qualifying Household at an Affordable Housing Cost or an Affordable Rent, as applicable. Notwithstanding the foregoing, notice to the City shall not be required for the Transfer of an Affordable Unit upon the Owner's death to a surviving joint tenant or spouse who is also a record owner of the Affordable Unit.

3.7.4 Right of First Refusal. The Purchaser Covenant shall provide that when the Term has expired, the then-current owner of the Affordable Unit shall offer the City or, at the City's election, a non-profit housing organization the right of first refusal to purchase the Affordable Unit for a minimum of sixty (60) days prior to offering to Transfer the Affordable Unit to any other person or entity.

3.7.5 Recordation. The Purchaser Covenant shall be recorded against the Affordable Unit as part of escrow immediately following the grant deed conveying the Affordable Unit to the purchaser of the Affordable Unit. The Purchase Covenant shall be subordinate only to any conventional first mortgage obtained by the purchaser.

3.8 Ineligible Purchasers. Owner shall not sell an Affordable Unit to any employees or officers of Owner or the immediate relatives of Owner, its officers, and employees, including spouse, children, parents, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, sister-in-law or brother-in-law.

3.9 Retention of Project Records. The Owner shall prepare and maintain complete and accurate Project Records generated during the Owner's ownership of the Affordable Unit for so long as this Agreement remains in effect. From time to time, upon request from the City, the Owner shall make all Project Records, whether in the custody or control of the Owner or its Affiliates, available to the City, the City's auditor, representative or agent for examination and copying at any reasonable time, on fifteen (15) calendar days advance notice.

3.10 Federal and State Laws. Notwithstanding anything herein to the contrary, nothing contained herein shall require Owner or City to do anything contrary to or refrain from doing anything required by federal and state laws or regulations applicable to the construction,

management, maintenance, and sale of low and very low income housing units in the City of Corona.

3.11 Prohibition Against Discrimination. Owner shall not discriminate against any Qualifying Household or potential tenant on the basis of sex, color, race, religion, ancestry, national origin, age, pregnancy, marital status, family composition, sexual orientation, or the potential or actual occupancy of minor children.

3.12 Indemnification. Owner shall defend, indemnify and hold harmless City and its officers, agents, employees, representatives, and volunteers (collectively, "Indemnitees") from and against any loss, liability, claim or judgment relating in any manner to any act or omission of Owner under this Agreement. Owner shall not be required to indemnify and hold harmless Indemnitees for liability attributable to the active negligence or willful misconduct of Indemnitees, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where an Indemnitee is shown to have been actively negligent and where Indemnitees' active negligence accounts for only a percentage of the liability involved, the obligation of Owner will be for that entire portion or percentage of liability not attributable to the active negligence of Indemnitees.

3.13 City's Right to Inspect Affordable Units and Documents. City may inspect the Affordable Units owned by Owner during normal business hours, upon 48 hours' notice, for so long as this Agreement remains in effect, to determine Owner's compliance with this Agreement.

3.14 Agreement to be Recorded; Covenants Run with the Land; Priority. This Agreement shall be recorded within ten (10) days of the Effective Date in the Official Records of Riverside County, California, as senior, non-subordinate covenants and as an encumbrance running with the land for the full Term of this Agreement and shall pass to and be binding upon Owner and all parties having any interest in the Affordable Units for the benefit of City and Qualifying Households. In no event shall this Agreement be made junior or subordinate to any deed of trust or other documents providing financing for the construction or operation of the Project, or any other lien or encumbrance whatsoever for the entire Term of this Agreement except as provided in Section 3.7.5. Nor shall this Agreement be made junior or subordinate to any extension, amendment, or modification of any lien or encumbrance recorded against the Property prior to the date hereof. Prior to recordation of this Agreement, Owner shall provide City with evidence satisfactory to the City that all deeds of trust, liens, encumbrances, or other documents recorded against the Property prior to the Effective Date have been or will be subordinated to this Agreement, at Owner's sole cost and expense. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Property or any interest therein, as the case may be (each a "Contract"), shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties to such Contract have actual knowledge of this Agreement.

3.15 Default. Failure or delay by either Party to perform any term or provision of this Agreement, which is not cured within thirty (30) days after receipt of notice from the other Party, constitutes a default under this Agreement. The party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure,

correction or remedy with due diligence. The injured party shall give written notice of default to the Party in default specifying the default complained of by the injured Party. Except as required to protect against further damages, the injured Party may not initiate proceedings against the Party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

3.16 Remedies.

3.16.1 All Remedies Available. A default hereunder shall give the non-defaulting Party the right to proceed with any and all remedies available at law or equity. Such remedies may include an action for damages, an action or proceeding for specific performance, and/or an action or proceeding for injunctive relief. Such actions or proceedings may require the defaulting Party to pay damages, to perform its obligations and covenants under this Agreement, and to enjoin or cease and desist from acts which may be unlawful or in violation of the provisions of this Agreement.

3.16.2 Revocation of Permits. City may institute any appropriate legal actions or proceedings necessary to ensure compliance with this Agreement, including but not limited to:

- (a) Actions to revoke, deny or suspend any permits and/or certificate of occupancy; and
- (b) Actions for injunctive relief or damages.

3.16.3 Municipal Code Violation. It is agreed and understood that the covenants to maintain the Affordable Units as set forth herein are a requirement of CMC Chapter 17.87 and as a condition to receiving the Density Bonus and the concessions and waivers described in Section 2.4 of this Agreement, Owner agrees that a breach by Owner of the covenants set forth in this Agreement constitutes a violation of the CMC, subject to enforcement by all legally available means.

3.16.4 Excessive Sale Price. It shall constitute a default for the Owner to charge or accept for any Affordable Unit a sale price in excess of the Affordable Housing Cost, to fail to sell an Affordable Unit to a Qualifying Household as required by Section 3.5 of this Agreement, or to otherwise sell an Affordable Unit to a purchaser that Owner knows or has constructive knowledge does not qualify as a Qualifying Household.

3.17 Expiration of Density Bonus. The Density Bonus permitted by this Agreement shall expire, become null and void and of no further force or effect if the Project Approvals are not utilized within the time limit established by the Corona Municipal Code or the conditions of approval (“Density Bonus Deadline”). Owner may submit an application requesting an extension prior to the Density Bonus Deadline, which extension may be approved by the Director upon a finding of unavoidable delay.

3.18 General Provisions.

3.18.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

Owner:

Meritage Homes of California, Inc.
230 Progress
Irvine, CA 92618
Attn: Nick Emsiek

City:

City of Corona
400 South Vicentia Avenue
Corona, CA 92882
Attn: Planning & Development Director

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.18.2 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.18.3 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.18.4 No City Responsibility for Project. City shall have no responsibility for the construction, installation, management, operation or maintenance of the Project.

3.18.5 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties; provided, however, that in the event that Owner Transfers its interest in the Property to a successor, Owner shall have no further obligation or liability under this Agreement except to the extent arising out of a default by Owner under this Agreement that existed prior to or at the time of such Transfer. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate and be of no further force or effect, without any additional instrument or other action required, as to each Residential Unit in the Project that is not an Affordable Unit upon the closing of the sale of such Residential Unit to the initial purchaser thereof.

3.18.6 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.18.7 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit,

privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.18.8 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.18.9 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.18.10 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

3.18.11 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.18.12 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.18.13 Enforcement. City shall have the power to enforce this Agreement and no other person or entity shall have any right or power to enforce any provision of this Agreement on behalf of City, or to compel City to enforce any provision of this Agreement against Owner, the Project, the Property or any Residential Unit, including the Affordable Units.

[SIGNATURES ON NEXT 2 PAGES]CITY'S SIGNATURE PAGE FOR

**CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT – FOR-SALE HOUSING
WITH MERITAGE HOMES OF CALIFORNIA, INC.
(1717 VIA DEL RIO, CORONA, CA 92882)
CMC CHAPTER 17.87**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

CITY OF CORONA

By:

*****INSERT NAME*****

*****INSERT TITLE*****

Attest:

*****INSERT NAME*****

City Clerk

*****INSERT OTHER SIGNATURE
BLOCKS AS NEEDED, INCLUDING
CITY ATTORNEY AND
RECOMMENDING EMPLOYEES*****

OWNER'S SIGNATURE PAGE FOR
CITY OF CORONA
DENSITY BONUS HOUSING AGREEMENT – FOR-SALE HOUSING
WITH MERITAGE HOMES OF CALIFORNIA, INC.
(1717 VIA DEL RIO, CORONA, CA 92882)
CMC CHAPTER 17.87

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

MERITAGE HOMES OF CALIFORNIA, INC.
a California Corporation

By: _____
Nick Emsiek
Division President – Southern California

EXHIBIT "A"

**LEGAL DESCRIPTION AND DEPICTION
OF THE PROPERTY**

Real property in the City of Corona, County of Riverside, State of California, described as follows:

That portion of lot 2 of Trinidad Yorba Tract, in the County of Riverside, State of California, as shown by map on file in book 2 page 22 of maps, records of Riverside County, California, described as follows:

Beginning at the southwesterly terminus of that certain course in the northwesterly line of Avenida Del Vista shown on map of Tract No. 2583, on file in Book 46 pages 11 to 14, inclusive of maps, records of Riverside County, California, as having a bearing and length of North 42° 05' 03" East, 1811.00 feet; thence Southwesterly along that certain curve in said northwesterly line shown on said map of Tract No. 2583, being concave northerly and having a radius of 14.00 feet and an arc length of 21.99 feet; through a central angle of 90° 00' 00" to the end of said curve; thence tangent to said curve North 47° 54' 57" West, 26.74 feet to the beginning of a tangent curve concave northeasterly having a radius of 956.00 feet; thence northwesterly along said last mentioned curve an arc distance of 242.13 feet through a central angle of 14° 30' 41"; thence tangent to said last mentioned curve North 33° 24' 16" West 11.39 feet; to a point on the southeasterly line of that certain parcel of land conveyed to Corona Unified School District of Riverside, by deed recorded December 7, 1959 in book 2594 page 15 of official records of Riverside County, California; thence North 42° 04' 47" East (formerly recorded North 42° 03' 13" East) along the southeasterly line of said parcel, 405.65 feet; thence South 47° 54' 57" East, 291.35 feet to a point in said course in the northwesterly line of Avenida Del Vista having a bearing and length of North 42° 05' 03" East, 1811.00 feet; distant thereon North 42° 05' 03" East 425.00 feet from the point of beginning; thence along said certain course South 42° 05' 03" West 425.00 feet to the point of beginning.

APN: 103-200-088 and 103-200-089

EXHIBIT “B”

IDENTIFICATION OF AFFORDABLE UNITS

The Affordable Units subject to this Agreement are indicated in the table below. The Address or Lot Number in the table corresponds to the dwelling unit depicted in the Project floor plans on file with the City’s Planning and Development Department as of *****INSERT DATE OF*****.

NUMBER OF UNITS AND UNIT TYPE	BUILDING NUMBER, ADDRESS OR LOT NUMBER	ELIGIBLE INCOME GROUP
One (1) Two-Bedroom	Building No.____ Plan 2532	Very Low Income
One (1) Three-Bedroom	Building No.____ Plan 1633	Very Low Income
One (1) Four-Bedroom	Building No.____ Plan 1638	Very Low Income
Total: Three (3) Affordable Units		

EXHIBIT "C"
PURCHASER COVENANT