

29257

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO

BEST, BEST & KRIEGER
Attorneys at Law
120 South Harvard Street
Hemet, California 92343

RECEIVED FOR RECORD

MAR 8 1972

30 Min. Post 9 o'Clock A.M.
ATTORNEY AT REQUEST OF

29257
Book 1972, Page

Recorded in Official Records
of Riverside County, California

W.H. Balygh
Recorder

INDEXED

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

AMENDED
ANNEXATION AGREEMENT OF
PINE MEADOW AREA TO
LAKE HEMET MUNICIPAL WATER DISTRICT
AND EASTERN MUNICIPAL WATER DISTRICT,
AND PROVIDING TERMS FOR WATER
SERVICE THERE TO

AGREEMENT, made this 7th day of FEBRUARY,
1972, by and among the LAKE HEMET MUNICIPAL WATER DISTRICT,
hereinafter referred to as the "District", the EASTERN MUNICIPAL
WATER DISTRICT, hereinafter referred to as "Eastern", and JAMES P.
EDMONDSON, hereinafter referred to as the "Owner".

W I T N E S S E T H:

WHEREAS the Annexation Agreement of December 10, 1969,
among the parties was based on a development plan which contem-
plated that the 2200 acre Pine Meadow Area owned by the Owner,
as described in Exhibit "A" to said Annexation Agreement, would
be subdivided into approximately 3700 residential lots of about
1/4 acre in size and would have a 150 acre recreational lake,
an 18 hole golf course, clubhouse, 42 acres of commercial uses, a
complete water system and a complete sewer collection, treatment
and disposal system, and that water supplies to serve such
development plan might be required from Lake Hemet and Eastern to
supplement groundwater within the Pine Meadow Area; and

WHEREAS after execution of the Annexation Agreement and
annexation of the Pine Meadow Area to the District, Eastern
and Metropolitan Water District of Southern California, herein-
after referred to as "MWD", and the authorization of bond issues
for improvement districts within the first two districts, pursu-
ant to the Annexation Agreement, the Pine Meadow Area was rezoned
by the County of Riverside to make the minimum size of lots 5
acres, thus requiring a complete and fundamental change in the
development plan; and

1 WHEREAS a revised development plan by the Owner now
2 contemplates approximately 306 lots (which may be increased or
3 decreased by up to 10% in the final design) of a minimum size of
4 5 acres, which will be served by individual septic tanks instead
5 of a community sewer collection, treatment and disposal system,
6 and said revised plan of development eliminates other planned
7 uses such as the recreational lake, the golf course, the club-
8 house and the 42 acres of commercial use; and

9 WHEREAS engineering studies indicate that the amount of
10 water required to serve the revised development plan can be
11 provided from groundwater within the Pine Meadow Area, and unless
12 and until county zoning is changed in the future to allow much
13 greater density than now permitted, the parties do not believe
14 there will be any need to have water imported from the District or
15 from Eastern; and

16 WHEREAS in light of the foregoing changes in county
17 zoning and the development plan, the parties believe it is in
18 their best interest to amend the Annexation Agreement of
19 December 10, 1969, as hereinafter provided.

20 NOW, THEREFORE, IT IS HEREBY AGREED that the provisions
21 of the Annexation Agreement of December 10, 1969, are amended so
22 as to read as follows:

23 1. Annexation. The annexation of the Pine Meadow Area
24 to the District, Eastern and MWD has been completed.

25 2. Improvement District Bonds for Lake Hemet Municipal
26 Water District. The District has completed proceedings pursuant
27 to Sections 71920, et seq. of the Water Code to form an unin-
28 habited improvement district of the Pine Meadow Area, and has
29 authorized the incurring of a bonded indebtedness of said improve-
30 ment district in the sum of \$8,500,000. The general purposes for
31 which such bond proceeds will be used will be to provide funds for
32 the acquisition of water facilities constructed by Owner to serve

1 the Pine Meadow Area and payment therefor pursuant to the reim-
2 bursement provisions of this Agreement, and for the construction
3 of any other water or sewer facilities which in the judgment of
4 the District may become necessary in the future in order to pro-
5 vide adequate water or sewer service to the Pine Meadow Area.

6 3. Improvement District Bonds for Eastern. Eastern
7 has completed proceedings pursuant to Sections 71920, et seq. of
8 the Water Code to form an uninhabited improvement district of the
9 Pine Meadow Area, and has authorized the incurring of a bonded in-
10 debtedness in the sum of \$5,000,000. The general purpose of such
11 proposed debt shall be to provide funds for the construction of
12 facilities necessary to supply water provided by Eastern to the
13 Pine Meadow Area if and when necessary in the judgment of Eastern
14 and the District in order to provide adequate water service to the
15 Pine Meadow Area, and to pay for the proportionate share of the
16 Pine Meadow Area in the construction of joint projects for the
17 importation of water through and to adjacent areas that may in the
18 future annex to Eastern and The Metropolitan Water District of
19 Southern California, including, but not limited to, such areas as
20 Garner Valley, Idyllwild, Fern Valley, Pine Cove and Mountain
21 Center, if such joint projects are necessary in order to provide
22 adequate water service to the Pine Meadow Area.

23 4. Improvement District for Purposes Other Than the
24 Issuance of Bonds. The District has completed proceedings pursu-
25 ant to Sections 72000, et seq., of the Water Code to form an
26 improvement district of the Pine Meadow Area for the general
27 purpose of constructing, acquiring, operating and maintaining
28 facilities necessary to provide water service, and sewer service
29 if and when necessary, to the Pine Meadow Area, and to acquire,
30 protect, determine and defend, by litigation or otherwise, the
31 water rights and supply necessary therefor.

32

1 5. Development of Project by Owner. Owner plans to
2 develop the Pine Meadow Area into a master-planned project
3 including approximately 306 lots, which may be increased or
4 decreased by up to 10% in final design. However, Owner reserves
5 the right to develop a lesser project if he determines that the
6 market for lots so warrants. When the master plan for such
7 project has been completed, a copy shall be filed with the District.
8 The extent of the completed project shall be defined by recorded
9 final subdivision maps showing actual subdivided lots and
10 constructed in-tract improvements, which are certified by Owner
11 as constituting the entire Pine Meadow Area project which he
12 proposes to develop. If Owner's completed project does not
13 include the full Pine Meadow Area, the obligations of the District
14 under this Agreement, notwithstanding anything to the contrary
15 herein, shall be limited to the area of such completed project.

16 6. Water Systems.

17 (a) Owner shall construct, or cause to be constructed,
18 at his own expense the following facilities necessary to serve
19 the Pine Meadow Area development:

20 (i) In-tract water delivery facilities, to be
21 constructed to serve the lots in each unit as such
22 unit is developed.

23 (ii) Sufficient water wells in the Pine Meadow Area
24 to provide adequate water service to that Area, with
25 pumps, pipelines and appurtenances to connect such
26 pumps to the in-tract water delivery facilities, to be
27 staged as required by the District to meet the water
28 supply requirements as they develop.

29 (iii) Two hundred thousand gallons capacity of
30 water storage facilities, to be staged as required by
31
32

1 the District to meet the water storage requirements
2 as they develop.

3 (b) At Owner's request, the District will construct
4 all or part of the facilities to be constructed under this
5 Paragraph 6 upon Owner paying or making arrangements acceptable
6 to the District to pay all the costs of construction.

7 (c) The plans and specifications for all facilities
8 described in this Paragraph 6, constructed or caused to be
9 constructed by Owner, shall be subject to approval by the
10 District, and shall be delivered for approval no less than
11 thirty (30) days prior to the time approval is desired. The
12 District shall use its best efforts to review and provide approval
13 at the time desired. Prior to recordation of the final map of
14 each subdivision unit within the Pine Meadow Area, Owner shall
15 provide the District with a payment bond, issued by a reputable
16 surety company authorized to do business in California, jointly
17 and severally in favor of the County of Riverside and the District,
18 which will guarantee payment for construction of the in-tract
19 water delivery facilities for such unit and that portion of the
20 facilities described in (ii) and (iii) of subparagraph (a) of this
21 Paragraph 6 which the District requires to serve the particular
22 stage of development. At all stages of development, the water
23 facilities which have been constructed or bonded as provided
24 herein shall constitute fully workable systems capable of serving
25 the areas for which the District has given assurances as required
26 by Paragraph 13.

27 (d) The water system and water supply facilities for
28 the Pine Meadow Area shall be designed and constructed to meet
29 the requirements of Riverside County Ordinance #460, i.e., 300
30 gallons per day per single family lot, available in a four hour
31 period, and fire flow at 500 gallons per minute at 20 psi residual
32

1 pressure with domestic consumption at 150 gallons per minute for
2 any one fire hydrant.

3 (e) Construction of all water facilities shall be
4 subject to inspection by the District, and Owner shall pay
5 the District's costs therefor and for plan checking as set forth
6 in itemized monthly statements from the District to Owner. Owner
7 agrees to maintain complete records of all bids and contracts let
8 for the facilities, including change orders and payments, and to
9 make such records available for inspection by the District.

10 (f) Upon completion of the facilities constructed or
11 caused to be constructed by the Owner as required hereunder,
12 Owner shall convey such facilities to the District, free and clear
13 of any liens or encumbrances. Fee title shall be conveyed to all
14 sites for wells, water storage facilities and pumping plants,
15 together with access rights to such properties. All such sites
16 shall be adequate in size for operation, maintenance and repair.
17 Easements shall be conveyed for all other facilities not located
18 in public rights-of-way. Upon acceptance, the District shall
19 operate and maintain the facilities conveyed to it, and shall
20 provide water service to the lands for which they were designed to
21 serve, at rates and charges to be set from time to time by the
22 District, and in accordance with the rules and regulations of the
23 District and all provisions of law.

24 7. Water Supply and Service.

25 The District shall supply the Pine Meadow Area
26 development with water from the wells and facilities conveyed
27 by the Owner, or from such other supplies and facilities as may,
28 in the judgment of the District, be required.

29 In addition to conveying fee title to the wells,
30 Owner does hereby irrevocably appoint the District as his trustee
31 and agent for the purpose of holding and exercising all riparian
32 and overlying water rights owned by him by virtue of his ownership

1 of the Pine Meadow Area in order to supply the reasonable and
2 beneficial uses of water upon such land.

3 8. Contribution to District. Owner has paid to the
4 District the sum of \$50,000 upon approval by the District of the
5 annexation of the Pine Meadow Area. Upon execution of this
6 Amended Annexation Agreement, the District shall repay to Owner
7 the sum of \$21,198.40, which is the balance of said \$50,000
8 after deduction of the legal and engineering expenses of the
9 District in the negotiation of the Annexation Agreement of
10 December 10, 1969, this amendment, and the annexation, improve-
11 ment district formation and bond authorization proceedings under
12 such Annexation Agreement.

13 9. Issuance of Bonds. The District shall issue
14 improvement district bonds authorized pursuant to the terms of
15 this Agreement, in such amounts and at such times as may be
16 necessary for the acquisition of water facilities pursuant to
17 the reimbursement provisions of this Agreement. The District
18 and Eastern may also issue such improvement bonds for the
19 purposes set forth in Paragraphs 2 and 3. All such bonds shall
20 be sold after competitive public bidding, and shall contain such
21 terms and conditions and be sold in such manner as the District
22 and Eastern, respectively, may determine. District bonds shall
23 be for a term as long as practical, consistent with good market-
24 ability. As a condition of any obligation of the District for
25 reimbursement under this Agreement, Owner will bid on each
26 District offering of bonds issued solely for purposes of reim-
27 bursement, in the same manner and subject to the same terms and
28 conditions as other prospective bidders, and should Owner be
29 the winning bidder, he will then proceed to purchase the bonds in
30 accordance with his bid. Owner's bid shall be at a price at
31 least equal to the maturity value of any such bonds, and at an
32

29257

1 interest rate not to exceed the legal maximum then applicable to
2 such bonds.

3 10. Reimbursement. The costs of all permanent facilities
4 and property acquired or constructed by or on behalf of Owner
5 at his own expense, and conveyed to the District under the terms
6 of this Agreement, and the payment made to the District under
7 Paragraph 8 less the amount refunded under this amended agreement,
8 shall be subject to reimbursement under the terms and conditions
9 hereinafter set forth. The term "costs" as used in this para-
10 graph shall mean:

11 (1) the reasonable cost of construction of the
12 facilities, verified by appropriate documents submitted
13 to the District;

14 (2) Engineering costs not to exceed those set forth
15 in the fee schedule established by the American Society
16 of Civil Engineers applicable when such work is done;

17 (3) reasonable legal and administrative costs of the
18 Owner attributable to such facilities;

19 (4) cost of land and any interests therein, not to
20 exceed \$2,000 per acre; and

21 (5) costs paid to the District for plan checking and
22 inspection.

23 The amount subject to reimbursement shall not bear
24 interest, and shall be payable under the following terms and
25 conditions:

26 (a) Owner's right to payment shall be limited to
27 funds which are:

28 (1) available from the District's improvement
29 district bonds, and

30 (2) from such bonds as can be amortized by a
31 tax rate that does not exceed \$1.50 per \$100.00 of
32 assessed valuation.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32

(b) The District shall not be obligated to offer such bonds for sale in increments of less than \$50,000.00 each.

(c) All reimbursement obligations shall terminate 35 years after the date of this Agreement.

11. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties; provided, however, that the Owner shall not assign or otherwise transfer these rights and obligations hereunder, except his right to reimbursement, without the prior written consent of the District, which shall not be unreasonably withheld.

12. Expenses. As provided in Paragraph 10, Owner shall reimburse the District for its legal and engineering expenses in connection with the negotiation and drafting of this Agreement, and in connection with the required annexation and improvement district proceedings, which expenses shall be set forth in an itemized statement from the District to Owner.

13. Assurances of Service by the District. Upon Owner's request and upon Owner providing the bond required by Paragraph 6(c) respecting a particular subdivision unit of the Pine Meadow Area development, the District shall give the assurances of water service which are necessary in connection with (a) the approval of final subdivision maps for such unit filed by Owner with the County of Riverside, (b) the obtaining by Owner of final public reports from the State of California
...
...
...

1 Real Estate Commissioner for such unit, and (c) any other
2 approvals by governmental agencies required in order to allow
3 Owner to subdivide the lands in such unit and to sell the sub-
4 divided lots and parcels thereof.

5 IN WITNESS WHEREOF the parties have executed this
6 Agreement.

7
8 (SEAL) LAKE HEMET MUNICIPAL WATER DISTRICT

9
10 J. Benedetto Nelson
11 PRESIDENT

12 Theodore H. Epperson
13 ATTEST

14
15 (SEAL) EASTERN MUNICIPAL WATER DISTRICT

16
17 W. Smith
18 PRESIDENT

19 Shirley J. Scott
20 ATTEST

21
22 James P. Edmondson
23 JAMES P. EDMONDSON, Owner

24
25
26
27
28
29
30
31
32

1 STATE OF CALIFORNIA)
2) ss.
3 COUNTY OF Riverside)

3 On this 7th day of February , 1972 , before me, a
4 notary public, personally appeared J. Burdette Nelson ,
5 known to me to be the president, and Theodore H. Eggen ,
6 known to me to be the secretary of LAKE HEMET MUNICIPAL WATER
7 DISTRICT, the public agency that executed the within instrument,
8 and acknowledged to me that such public agency executed the same.

9 (SEAL)
10 OFFICIAL SEAL
11 MARY E. WHITE
NOTARY PUBLIC CALIFORNIA
RIVERSIDE COUNTY
My Commission Expires Feb. 26, 1973

Mary E. White
Notary Public in and for said
County and State

12 STATE OF CALIFORNIA)
13) ss.
14 COUNTY OF Riverside)

14 On this 16th day of February , 1972 , before
15 me, a notary public, personally appeared W. M. Kall ,
16 known to me to be the president, and Shirley G. Scott ,
17 known to me to be the secretary of EASTERN MUNICIPAL WATER
18 DISTRICT, the public agency that executed the within instrument,
19 and acknowledged to me that such public agency executed the same.

20 (SEAL)
21 OFFICIAL SEAL
22 HELEN M. HUMMEL
NOTARY PUBLIC CALIFORNIA
RIVERSIDE COUNTY
My Commission Expires January 15, 1975

Helen M. Hummel
Notary Public in and for said
County and State

23 STATE OF CALIFORNIA)
24) ss.
25 COUNTY OF RIVERSIDE)

26 On this 31st day of January , 1972 , before me,
27 a notary public, personally appeared JAMES P. EDMONDSON, known to
28 me to be the person whose name is subscribed to the within
29 instrument, and acknowledged that he executed the same.

30 (SEAL)
31 OFFICIAL SEAL
32 MARY E. WHITE
NOTARY PUBLIC CALIFORNIA
RIVERSIDE COUNTY
My Commission Expires Feb. 26, 1973
P. O. Box 850, Hemet, Calif. 92343

Mary E. White
Notary Public in and for said
County and State