

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

RSI Communities – California LLC
6440 Oak Canyon, Suite 20
Irvine, CA 92618
Attn: Legal Department

APN:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RELEASE OF LIEN

That certain Lien Contract against RSI Communities – Heartland LLC, a Delaware limited liability company recorded on February 23, 2017 as Instrument No. 2017-0076561 of Official Records of Riverside County, California is hereby fully satisfied, released and discharged.

The property affected by this release is described as follows:

Tract 27971-7 Off-site Sewer and Street Improvements

Dated:

CITY OF BEAUMONT

By:

Mayor

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who 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 _____

10

RECORDING REQUESTED BY

NAME: FNTG Builder Services 23015746-SG

WHEN RECORDED MAIL TO:

NAME: City of Beaumont, Attn: City Clerk

ADDRESS: 550 East 6th Street

CITY / STATE / ZIP: Beaumont, CA 92223

(DOCUMENT WILL ONLY BE RETURNED TO NAME & ADDRESS IDENTIFIED ABOVE)

DOC # 2017-0076561

02/23/2017 11:17 AM Fees: \$0.00

Page 1 of 15

Recorded in Official Records

County of Riverside

Peter Aldana

Assessor-County Clerk-Recorder

This document was electronically submitted to the County of Riverside for recording
Received by: SOPHIA #466

(SPACE ABOVE FOR RECORDER'S USE)

Agreement

(DOCUMENT TITLE)

SEPARATE PAGE, PURSUANT TO CA. GOV'T. CODE 27361.6

10 Recording Requested by:

FNTG Builder Services

23015746-56

★ EXEMPT RECORDING
REQUESTED BY AND WHEN
RECORDED MAIL TO:

City of Beaumont
Attention: City Clerk
550 East 6th Street
Beaumont, CA 92223

LIEN CONTRACT

(Lien Contract as Initial Security; Gov. Code Section 66499(a)(4))

THIS LIEN CONTRACT ("Lien Contract") is entered into this 16th day of December, 2016, by and between the CITY OF BEAUMONT, CALIFORNIA, a general law city ("City") and RSI COMMUNITIES – HEARTLAND, a Delaware limited liability company ("Owner").

RECITALS

A. A predecessor-in-interest of the Owner sought and obtained the City's approval of Tentative Tract Map No. 27971 (the "Map"). A copy of the Map is on file in the Office of the City Clerk and is incorporated herein by reference.

B. As a condition precedent to approval of Tract Map 27971-7 ("Final Map"), which Final Map was filed in Book 444, Pages 15 through 19, inclusive, of Maps, in the Office of the County Recorder of Riverside, California, LV Heartland LLC, a Delaware limited liability company ("LVH"), as predecessor-in-interest of the Owner, entered into that certain Agreement to Provide Security for Improvements for Tract Map or Parcel Map or Plot Plan dated July 17, 2014 ("Original Subdivision Improvement Agreement") to complete certain tasks and construct certain improvements as required by the Final Map and other entitlements including the Specific Plan and Final Environmental Impact Report applicable to the property subject to the Final Map ("Developer Obligations"). The Original Subdivision Improvement Agreement required LVH to provide security satisfactory to the City in accordance with and the Subdivision Map Act (Gov. Code, §§ 66462 and 66499).

C. The Developer Obligations remain outstanding and unperformed.

D. Owner and City have entered into that certain replacement Agreement to Provide Security for Improvements for Tract Map or Parcel Map or Plot Plan dated as of Dec. 16, 2016 ("New Subdivision Improvement Agreement") to replace the Original Subdivision Improvement Agreement and provide for the Owner's posting of new security in connection therewith.

E. City is authorized to accept the security proposed by Owner, known as a lien contract, under the provisions of Government Code Section 66499(a)(4) and, pursuant to the New Subdivision Improvement Agreement, City has agreed to accept the first lien on the terms and conditions hereof.

F. City has found and determined, pursuant to California Government Code Section 66499(a)(4) that "it would not be in the public interest to require the installation of the required improvement[s] sooner than two years after the recordation" of the Map.

NOW, THEREFORE, for good and valuable consideration, including the obligations herein and the trust herein created, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Owner's Performance.

a. Owner hereby grants to City, in accordance with the terms and conditions of this Lien Contract, a first lien upon the property described in Attachment "A" ("Property"), attached hereto, as security for the following obligations of Owner:

(1) Construction of the improvements ("Improvements") specified in the New Subdivision Improvement Agreement, in the estimated amount and for the purposes specified in Attachment "B" attached hereto; provided, however, that Owner's obligation hereunder shall extend to the actual cost of construction of the Improvements, notwithstanding that such costs may exceed the estimate set forth in Attachment "B"; and

(2) Payment of the fees or services ("Fees") required by the City in the amount required as a condition of approval of the Final Map.

(3) All of the Developer Obligations and the obligations of Owner under this Lien Contract and under the New Subdivision Improvement Agreement ("Obligations").

This lien secures said Improvements, Fees and Obligations (collectively, the "Secured Obligations").

b. For the purpose of securing payment and performance of the Secured Obligations, Owner hereby irrevocably and unconditionally grants, conveys, transfers and assigns to Fidelity National Title ("Trustee"), as trustee, in trust, WITH POWER OF SALE TOGETHER WITH THE RIGHT OF ENTRY AND POSSESSION, for the benefit and security of the City, all present and future rights, titles, interests, estates, powers and privileges that Owner now has or may hereafter acquire in or to the Property. Prior to obtaining any type of permit, including a grading or building permit, or commencing the installation and construction of any portion of the Improvements required by the New Subdivision Improvement Agreement, whichever occurs first, Owner shall deposit fees for inspections, tests and other related purposes, and shall substitute payment and performance bonds in amounts satisfactory to the City ("Suitable Future Bond") in place of this Lien Contract. Owner shall make the deposits specified herein in the amounts prescribed for such purposes at the time the deposit is due. Owner also

agrees to provide the Suitable Future Bond in the amounts and for the purposes set forth in the New Subdivision Improvement Agreement, except that the amounts shall be calculated using the estimated cost of the Improvement as of the time of the substitution of security, as ascertained by the City.

c. Owner shall perform and complete the Improvements required by the New Subdivision Improvement Agreement, including without limitation, the requirement that, except as otherwise agreed by the CITY, Improvements that are secured by one or more payment and performance bonds shall be constructed within one (1) year after the date on which the DEVELOPER has delivered such payment and performance bonds to the CITY.

2. City's Performance.

Following City's approval and receipt of the substitute forms of security submitted by Owner pursuant to Paragraph 1(c) above and receipt of applicable Fees, City shall release the Property from the provisions of this Lien Contract, and shall execute any necessary release to enable Owner or its transferee to clear the record of title of the Property so released of the lien herein imposed.

3. Effect of Lien Contract.

a. From the date of recordation of this Lien Contract, a lien shall attach to the Property which shall have the priority of a judgment lien in an amount necessary to secure and discharge all obligations contained in this Lien Contract and New Subdivision Improvement Agreement, and any Fees.

b. Unless written consent of the City is obtained, the Owner shall not convey, lien or encumber any portion of or interest in the Property covered by this Lien Contract until Suitable Future Bonds or some other form of alternative security acceptable to the City has been provided and this Lien Contract has been released.

c. So long as this Lien Contract is utilized for security as described herein, offers of dedication for street purposes on the Property will not be accepted by the City.

The City shall not have an obligation to subordinate its rights hereunder to any other lender or encumbrancer unless substitute security in the form of a bond or letter of credit satisfactory to City is secured by Owner.

4. Events of Default. Upon the occurrence of any one of the following events, Owner shall be deemed in default hereunder:

a. Failure by Owner to deposit fees for inspections, tests and other specific purposes or to substitute Suitable Future Bonds or other forms of security satisfactory to City within the time allotted and as prescribed by this Lien Contract.

b. Commencement of any work on the Improvements by Owner, its agents or employees, prior to substitution of acceptable security, including, without limitation, Suitable Future Bonds, with the City in place of this Lien Contract.

c. Failure by Owner to complete construction of the Improvements described in the New Subdivision Improvement Agreement within the time allotted and as prescribed in this Lien Contract, and otherwise extended pursuant to the terms of the New Subdivision Improvement Agreement.

d. The appointment, pursuant to an order of a court of competent jurisdiction, of a trustee, receiver or liquidator of the Property or any part thereof, or of Owner.

e. The filing by Owner of a petition in bankruptcy or for an arrangement or for reorganization pursuant to the Federal Bankruptcy Code or any similar law, federal or state, or the adjudication of Owner as a bankrupt or as insolvent by a decree of a court of competent jurisdiction, or the making of an assignment for the benefit of creditors, or the admission by Owner in writing of its inability to pay its debts generally as they become due, or the giving of consent by Owner to the appointment of a receiver or receivers of all or any part of its property, including the Property.

f. The filing by any of the creditors of Owner or the reorganization of Owner pursuant to the Federal Bankruptcy Code or any similar law, federal or state and the same is not discharged within ninety (90) days after the date of filing thereof.

g. Levy of any attachment or writ of execution against Owner and the Property whereby the Property is taken or occupied or attempted to be taken or occupied by someone other than Owner and such attachment or execution is not released within (60) days.

h. Sale of any lot or lots shown on the Map prior to release of the lien created by this Lien Contract, except as provided in Paragraph 3(b).

i. Failure of owner to pay the Fees described in Paragraph 1(a)(2) above, at the time required.

j. Breach by Owner of any other term or condition of this Lien Contract or the Subdivision Improvement Agreement, or Owner's failure to fully and faithfully discharge its obligations hereunder within the time specified herein.

k. Failure to pay prior to delinquency any taxes, assessments, fees or other amounts the payment of which are secured by a lien against part or all of the Property.

l. Failure of Owner to maintain liability insurance in the amount of at least \$2,000,000.00 per occurrence and in the aggregate on the Property naming City as an additional insured.

m. The occurrence of any waste, violation of an ordinance, violation of a condition of approval or nuisance on the Property which is not cured by Owner within thirty (30) days following written notice from City.

n. The breach or violation of any other subdivision improvement agreement, or lien contract between City and Owner beyond any applicable notice and cure period.

All references to Owner in this Paragraph 4 shall be deemed to include Owner's successors, assignees and transferees.

5. City's Remedies. Upon the occurrence of any of the events described in Paragraph 4, above, City may, at its option, declare all obligations, amounts and indebtedness secured hereby immediately due and payable without any presentment, demand, protest, or notice, and take one or more of the actions below:

a. Pursue any or all of the remedies provided in the New Subdivision Improvement Agreement;

b. Commence and maintain an action or actions to foreclose this lien by appropriate action in court or as provided by law for the non-judicial foreclosure of mortgages or deeds of trust under power of sale pursuant to California Civil Code Sections 2924, 2924(b) and 2924(c), and Owner agrees that the amount of said lien shall include attorneys' fees as provided in Paragraph 6(b) below. CITY will deposit with TRUSTEE this Lien Contract, the New Subdivision Improvement Agreement, and any receipts and evidence of expenditures made and secured as TRUSTEE may require. If notice of default has been given as then required by law, and after lapse of the time that may then be required by law, after recordation of the notice of default, TRUSTEE, without demand on OWNER, will, after notice of sale having been given as required by law, sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels as TRUSTEE determines, and in any order that it may determine, at public auction to the highest bidder. TRUSTEE may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time after that may postpone the sale by public announcement at the time fixed by the preceding postponement, and without further notice make the sale at the time fixed by the last postponement; or TRUSTEE may, in its discretion, give a new notice of sale. CITY may rescind any notice of default at any time before TRUSTEE's sale by executing a notice of rescission and recording it. The recordation of the notice will constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of obligations affected by any prior declaration or notice of default. The exercise by CITY of the right of rescission will not constitute a waiver of any default then existing or subsequently occurring, or impair the right of CITY to execute other declarations of default and demand for sale, or notices of default and of election to cause the Property to be sold, nor otherwise affect the Lien Contract, the New Subdivision Improvement Agreement, or any of the rights, obligations, or remedies of CITY or TRUSTEE. After sale, TRUSTEE will deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts will be conclusive proof of their truthfulness. Any Person, including Owner, TRUSTEE, or CITY, may purchase at that sale. If allowed by law, CITY, if it is the purchaser, may turn in the New Subdivision Security Agreement at the amount owing on it toward payment of the purchase price (or for endorsement of the purchase price as a payment if the amount owing exceeds the purchase price). TRUSTEE, upon the sale, will make (without any covenant or warranty, express or implied), execute and, after due payment made, deliver to a purchaser and its heirs or assigns a deed or other record of interest, as the case may be, to the Property

sold, which will convey to the purchaser all the title and interest of Owner in the Property and will apply the proceeds of the sale in payment first, of the expenses of the sale together with the expenses of the trustee, including, without limitation, attorney fees, that will become due on any default made by OWNER, and also any sums that TRUSTEE or CITY have paid for procuring a search of the title to the Property subsequent to the execution of this Lien Contract; and second, of the Secured Obligations then remaining unpaid. TRUSTEE will pay the balance or surplus of the proceeds of sale, if any, to OWNER and its successors or assigns as its interests may appear;

c. Commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Owner hereunder, and Owner agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Owner waives the defense of laches and any applicable statute of limitations;

d. Estimate the cost of the work required to complete the Improvements which estimate shall be deemed a debt and obligation in a liquidated sum of Owner, and judicially or non-judicially foreclose said lien in said amount; and

e. Pursue any other remedy, legal or equitable including but not limited to those for the foreclosure of a lien, and Owner, its assigns, shall pay reasonable attorneys' fees as a cost in said proceedings.

6. General Provisions.

a. Recordation. This Lien Contract shall be recorded by City with the Recorder's Office of the County of Riverside immediately following execution of this Lien Contract by (1) all parties hereto, and (2) all parties having any record title interest in the subject real property, pursuant to Government Code Section 66436, acknowledging subordination of their interests to this Lien Contract.

b. Attorneys' Fees. City shall be entitled to reasonable attorneys' fees, paralegal fees, and other charges, expenses and costs incurred in enforcing its rights under this Lien Contract.

c. Contingency. This Lien Contract shall not take effect until it has been approved by the City and recorded.

d. Entire Agreement. This Lien Contract together with all attachments and other agreements expressly referred to herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

e. Further Assurances. The parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Lien Contract and the intentions of the parties.

f. Governing Law. This Lien Contract shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

g. Headings. The captions and Section headings used in this Lien Contract are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

h. Modification, Waiver. No modification, waiver, amendment or discharge of this Lien Contract shall be valid unless the same is in writing and signed by all parties.

i. No Other Inducement. The making, execution and delivery of this Lien Contract by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressed herein.

j. Severability. If any term, provision, covenant or condition of this Lien Contract is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Lien Contract shall not be affected thereby, and each term, provision, covenant or condition of this Lien Contract shall be valid, and enforceable to the fullest extent permitted by law.

k. Execution in Counterparts. This Lien Contract may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute a single agreement.

l. If City or the Trustee is made a party to or is threatened with any litigation concerning this Lien Contract or the New Subdivision Improvement Agreement the Property or any part thereof or interest therein, or the actions or omissions of Owner on the Property then Owner shall indemnify, defend and hold City and Trustee harmless for, from and against all liability by reason of said threat and/or litigation, including reasonable attorneys' fees and expenses incurred by City as a result of any such threat and/or litigation, whether or not any such threat and/or litigation is prosecuted to judgment; provided, however, that the indemnification to be provided by Owner to the City pursuant to the terms of this paragraph shall not be applicable where the aforementioned liability, claim, suit, action, et cetera, is the result of the sole negligence or sole willful misconduct of the City. City or Trustee may employ an attorney or attorneys to protect its rights hereunder, and in the event of such employment following any breach of the foregoing obligation by Owner, Owner shall pay City and Trustee reasonable attorneys' fees and expenses incurred by City or Trustee, whether or not an action is actually commenced against Owner or Trustee by reason of its breach.

IN WITNESS WHEREOF, the Parties have caused this instrument to be executed as of the day and year first written above.

CITY OF BEAUMONT

By

Mayor


MICHAEL ARA

Date

12/12/16

Signature Page of Lien Contract

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Riverside

On Dec 12, 16, before me, Nicole Wheelwright, Notary Public
(here insert name and title of the officer)

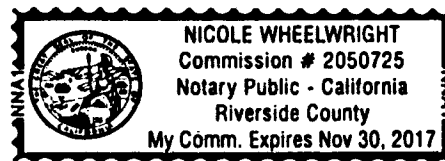
personally appeared Michael Lara

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 he/she executed the same in his/her authorized capacity, and that by his/her signature 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.

Nicole Wheelwright
Signature




(Seal)

Signature Page of Lien Contract

DEVELOPER:

RSI COMMUNITIES – HEARTLAND LLC,
a Delaware limited liability company

By: 
Name: DARIUS FATAKIA
Title: VICE PRESIDENT LAND DEVELOPMENT

12/12/16
Date

Address: 620 Newport Center Drive, 12th Floor
Newport Beach, CA 92660

Signature Page of Lien Contract

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Orange


On December 13, 2016, before me, Amber Larae Churchin, Notary Public,
(here insert name and title of the officer)

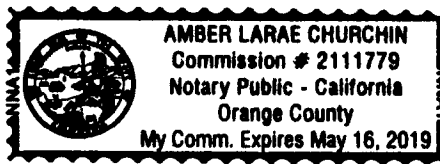
personally appeared Darius Fatakia

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 he/she executed the same in his/her authorized capacity, and that by his/her signature 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



(Seal)

Signature Page of Lien Contract

ATTACHMENT A

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 7: (414-430-001 THROUGH 414-430-063)

LOTS 1 THROUGH 63, INCLUSIVE, AND LETTERED LOTS A THROUGH E, INCLUSIVE, OF TRACT NO. 27971-7, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 444, PAGES 15 THROUGH 19, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Attachment A – Legal Description

ATTACHMENT B
DESCRIPTION OF IMPROVEMENTS

Attachment B – Description of Improvements

Exhibit B

Description: Tract 27971-7 Street, storm drain, sewer, water and recycled water

Amount:	Streets, drainage	\$752,637.05
	Sewer	\$151,363.00
	Water	\$151,621.75
	Total:	\$1,055,621.80
	Warranty Retention	\$237,514.91
	Street/Drainage Plan Check Fees	\$15,052.74
	Sewer Plan Check Fees	\$4,540.89
	Street Inspection Fees	\$22,579.11
	Sewer Inspection Fees	\$7,568,15
	Monumentation (59 lots)	\$26,300.00

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
CONSTRUCTION COST WORKSHEET

PARCEL MAP OR TRACT NO.: Tract 27971-7 Street, Storm Drain, and Sewer
DATE: 21-Jul-17

PP, CUP NO.: _____ BY: _____, P.E.

IMPROVEMENTS FAITHFUL PERFORMANCE 100%
LABOR & MATERIALS SECURITY 100%

	Construction Costs)
Streets/Drainage	\$ 751,023.60
Sewer	\$ 183,875.80
Total	\$ 934,899.40
Warranty Retention (22.5%)	\$ 210,352.37
Street/Drainage Plan Check Fees =	\$ 15,020.47
Sewer Plan Check Fees =	\$ 5,516.27
Street Inspection Fees =	\$ 22,530.71
Sewer Inspection Fees =	\$ 9,193.79

DESIGN ENGINEERS CALCULATIONS OF IMPROVEMENT BONDING COSTS

Construction items and their quantities as shown on attached sheets are accurate for the improvements required to construct the above project and the mathematical extensions using City's unit costs are accurate for determining bonding, plan check and inspection costs.

Above amounts do include additional 20% for recordation prior to having signed plans

Above amounts do not include additional 20% for recordation prior to having signed plans


Engineer's Signature

28 AUG 2017
Date

NED J. ARAUJO, P.E.
Name typed or printed



Civil Engineer's Stamp

FORM \$ UNIT COSTS REVISED 01/02/2017

*****PLEASE READ INSTRUCTIONS BELOW*****

- Quantities to be taken from improvement plans, Unit costs to be as provided on "City of Beaumont Construction Cost Worksheet".
- Show Bond Amounts to the nearest \$500.
- For construction items not covered by the Construction Cost Worksheet", Design Engineer is to provide his opinion of construction cost and use of that cost. If City of Beaumont unit costs are determined to be too low in the opinion of the Design Engineer, the higher costs as provided by the Design Engineer should be used.

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

STREET IMPROVEMENTS				
QTY.	UNIT	ITEM	UNIT COST	AMOUNT
		Roadway Excavation		
2,156	C.Y.	1. Projects with a grading plan area x 0.50' (hinge point to hinge point)(93,474 sf)	\$ 20.00	\$ 43,120
		2. Projects without a grading plan (road area and side slopes to daylight Cut (C) = Fill (f) =		
	C.Y. (c or f)	(a.) Excavate and Fill	\$ 0.40	\$ -
	C.Y. (f - c)	(b.) Excavate and Export	\$ 1.10	\$ -
		(c.) Import and Fill	\$ 2.80	\$ -
		If balance, provide (a.) only, either cut or fill		
		If export, provide (a.) & (b.), a = fill, b = cut - fill		
		If import, provide (a.) & (c.), a = cut, c= fill - cut		
		(Unit costs for (a.), (b.) & (c.) are 20% of actual costs to assure that work will be corrected to eliminate hazardous conditions.)		
				\$ -
	S.F.	Remove A.C. Pavement	\$ 1.45	\$ -
	L.F.	Remove Curb and Gutter	\$ 18.00	\$ -
	L.F.	Remove A.C. Dike	\$ 3.00	\$ -
	S.F.	Remove Sidewalk	\$ 3.00	\$ -
440	L.F.	Sawcut & Remove Exist. A.C. Pavement	\$ 2.45	\$ 1,078
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
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				\$ -
				\$ -
				\$ -

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

STREET IMPROVEMENTS (Cont'd.)				
QTY.	UNIT	ITEM	UNIT COST	AMOUNT
	L.F.	Remove Chain Link Fence	\$ 7.50	\$ -
	EA.	Remove Barricade	\$ 200.00	\$ -
1,683	TON	Asphalt Concrete - 144 lbs/cu. Ft. (93,474 OnSite SF @ 3")	\$ 90.00	\$ 151,470
1,876	C.Y.	Aggregate Base Class II (93,474 OnSite SF @ 6.5")	\$ 50.00	\$ 93,800
4	TON	Asphalt Emulsion (Fog Seal/Paint Binder) (1 ton = 240 gals) (93,474 OnSite SF)	\$ 600.00	\$ 2,100
		apply at 0.05 + 0.03 = 0.08 gal/SY		\$ -
	S.F.	AC overlay (min. 0.10') If export, provide (a) & (b), a=fill, b=cut-fill If import, provide (a)&(C), a=cut, c=fill-cut (Unit costs for (a), (b) & (C) are 20% of actual costs to assure that work will be corrected to eliminate hazardous conditions.)	\$ 0.90	\$ -
	S.F.	Remove A.C. Pavement	\$ 1.45	\$ -
	L.F.	Curb and Gutter (Wedge Curb)	\$ 12.00	\$ -
5,414	L.F.	Curb and Gutter (Type A-6)	\$ 15.00	\$ 81,210
	L.F.	Curb and Gutter (Type A-8)	\$ 17.00	\$ -
	L.F.	Type "C" Curb	\$ 12.00	\$ -
	L.F.	Type "D" Curb	\$ 15.00	\$ -
	L.F.	A.C. Dike (6") (incl. material & labor)	\$ 10.00	\$ -
	L.F.	A.C. Dike (8") (incl. Material & labor)	\$ 15.00	\$ -
	S.F.	P.C.C. Cross Gutter and Spandrels	\$ 10.00	\$ -
34,371	S.F.	P.C.C. Sidewalk	\$ 6.00	\$ 206,226
	SF	P.C.C. Drive Approach	\$ 8.00	\$ -
8	EA.	Handicapped Access Ramp	\$ 2,000.00	\$ 16,000
	EA.	P.C.C. Drive Approach (individual lot driveway approach per finished grading plan)	\$ 12.00	\$ -
	S.F.	Cold Plane & Overlay Exist. A.C. Paving	\$ 4.00	\$ -
				\$ -
				\$ -
				\$ -

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

STREET IMPROVEMENTS (Cont'd.)				
QTY.	UNIT	ITEM	UNIT COST	AMOUNT
4	EA.	Street Name Sign	\$ 400.00	\$ 1,600
	EA.	Delineators-per Caltrans Std. A73C, Class 1, Type F	\$ 40.00	\$ -
	EA.	Object Markers - Modified Type F Delineators, Riverside County	\$ 45.00	\$ -
	L.F.	Barricades	\$ 100.00	\$ -
	L.F.	Utility Trench, one side (Edison, Telephone, Cable) (Total length of streets)	\$ 10.00	\$ -
	L.F.	Chain Link Fence (6')	\$ 80.00	\$ -
	L.F.	Remove Fence	\$ 4.00	\$ -
	EA.	Remove Power Pole	\$ 1,200.00	\$ -
8	EA.	Street Lights (including conduit)	\$ 5,000.00	\$ 40,000
90	EA.	Street Trees (15 gallon)	\$ 150.00	\$ 13,500
	L.S.	Landscape and Irrigation	\$ -	\$ -
	EA.	Concrete Bulkhead	\$ 200.00	\$ -
	C.Y.	Structural Reinforced Concrete	\$ 400.00	\$ -
	EA.	Slope Anchors for Pipes	\$ 300.00	\$ -
	L.F.	Cut Off Wall (Std. 2')	\$ 5.50	\$ -
	EA.	A.C. Overside Drain	\$ 800.00	\$ -
	EA.	Under Sidewalk Drain	\$ 2,000.00	\$ -
	S.F.	Terrace Drains and Down Drains	\$ 6.50	\$ -
	S.F.	Interceptor Drains	\$ 6.50	\$ -
0	EA.	Gutter Depression for Curb Opening Catchbasin	\$ 1,500.00	\$ -
	EA.	Access Driveway for Storm Drain at Cul-de-Sac	\$ 640.00	\$ -
4	EA.	"STOP" Pavement Marking	\$ 200.00	\$ 800
80	L.F.	Limit Line	\$ 2.00	\$ 160
4	EA.	RI "STOP SIGN"	\$ 250.00	\$ 1,000
4	EA.	W14-2 "NO OUTLET" Sign	\$ 250.00	\$ 1,000
				\$ -
				\$ -
				\$ -
				\$ -

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

STREET IMPROVEMENTS (Cont'd.)				
QTY.	UNIT	ITEM	UNIT COST	AMOUNT
	C.Y.	Rip Rap (1/4 Ton) Method B	\$ 40.00	\$ -
	C.Y.	Rip Rap (1/2 Ton) Method B	\$ 45.00	\$ -
	C.Y.	Rip Rap (1 Ton) Method B	\$ 50.00	\$ -
	C.Y.	Rip Rap (2 Ton) Method B	\$ 55.00	\$ -
	C.Y.	Grouted Rip Rap (1/4 Ton) Method B	\$ 60.00	\$ -
	C.Y.	Grouted Rip Rap (1/2 Ton) Method B	\$ 67.00	\$ -
	C.Y.	Grouted Rip Rap (1Ton) Method B	\$ 75.00	\$ -
	C.Y.	Grouted Rip Rap (2 Ton) Method B	\$ 80.00	\$ -
	L.F.	18" R.C.P.	\$ 113.00	\$ -
	L.F.	24" R.C.P.	\$ 140.00	\$ -
	L.F.	30" R.C.P.	\$ 150.00	\$ -
	L.F.	36" R.C.P.	\$ 155.00	\$ -
	L.F.	42" R.C.P.	\$ 160.00	\$ -
	L.F.	48" RCP	\$ 165.00	\$ -
	L.F.	54" RCP	\$ 170.00	\$ -
	L.F.	60" RCP	\$ 175.00	\$ -
	L.F.	72" RCP	\$ 250.00	\$ -
	0.001		\$ 1.00	\$ -
	L.F.		\$ 1.00	\$ -
	EA.	H.D.P.E. Clean Out	\$ 400.00	\$ -
	EA.	Drain Basin	\$ 500.00	\$ -
	EA.	Curb Outlet	\$ 3,000.00	\$ -
	EA.	Fossil Filters	\$ 500.00	\$ -
	EA.	18" C.M.P. Wye	\$ 500.00	\$ -
	EA.	Riprap Headwall	\$ 1,000.00	\$ -
	EA.	Concrete Collar	\$ 500.00	\$ -
	EA.	Outlet Structure	\$ 10,000.00	\$ -
	EA.			\$ -
				\$ -
				\$ -

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

STREET IMPROVEMENTS (Cont'd.)				
QTY.	UNIT	ITEM	UNIT COST	AMOUNT
	L.F.	60" C.S.P.	\$ 120.00	\$ -
	EA.	Catch Basin W = 4'	\$ 2,200.00	\$ -
	EA.	Catch Basin W = 7'	\$ 4,000.00	\$ -
	EA.	Catch Basin W = 10'	\$ 6,000.00	\$ -
	EA.	Catch Basin W = 14'	\$ 7,800.00	\$ -
	EA.	Catch Basin W = 21'	\$ 12,000.00	\$ -
	EA.	Type IX Inlet	\$ 3,000.00	\$ -
	EA.	Type X Inlet	\$ 3,000.00	\$ -
	EA.	Junction Structure No. 1	\$ 3,000.00	\$ -
	EA.	Junction Structure No. 2	\$ 3,000.00	\$ -
	EA.	Junction Structure No. 6	\$ 3,700.00	\$ -
	EA.	Transition Structure No. 1	\$ 12,500.00	\$ -
	EA.	Transition Structure No. 3	\$ 2,700.00	\$ -
	EA.	Manhole No. 1	\$ 2,700.00	\$ -
	EA.	Manhole No. 2	\$ 3,300.00	\$ -
	EA.	Manhole No. 3	\$ 2,700.00	\$ -
	EA.	Manhole No. 4	\$ 5,000.00	\$ -
	EA.	Adjust Water Valve (if no water plan)	\$ 250.00	\$ -
	EA.	Adjust MH to grade (if no sewer plan)	\$ 600.00	\$ -
	EA.	Headwall	\$ 5,000.00	\$ -
		Remove & Dispose of Interfering 30" Storm Drain		
	L.S.	and 36" Riser	\$ 700.00	\$ -
	EA.	Remove & Dispose of RCB Headwall & Wingwall	\$ 12,000.00	\$ -
	L.F.	and Concrete Bulkhead	\$ 30.00	\$ -
	EA.	Outlet Structure (Line A & B)	\$ 7,000.00	\$ -
	EA.	Remove Existing Headwall	\$ 1,500.00	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

STREET IMPROVEMENTS (Cont'd.)				
QTY.	UNIT	ITEM	UNIT COST	AMOUNT
	EA.	Water Quality Structure	\$ 5,000.00	\$ -
	LS	Concrete Inlet Apron	\$ 11,000.00	\$ -
	LS	Emergency Spillway	\$ 27,000.00	\$ -
	LS	84" Storm Drain Grate	\$ 8,500.00	\$ -
	SF	3' Wide V-Gutter (945 LF)	\$ 7.00	\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

Subtotal: \$ -

- A. Subtotal \$ 653,064
- B. Contingency (15%) \$ 97,960
- C. Streets/Drainage Total (A + B) \$ 751,024

CITY OF BEAUMONT PUBLIC WORKS DEPARTMENT
IMPROVEMENT REQUIREMENT WORKSHEET

PROJECT: Tract 27971-7 Street, Storm Drain, and Sewer

DATE: 21-Jul-17

SEWER IMPROVEMENTS

Show quantities on this sheet only if project has a sewer plan. If no water plan, then show applicable quantities as part of street improvements.

QTY.	UNIT	ITEM	UNIT COST	AMOUNT
	L.F.	4" V.C.P. (45 Lots @ 25' Avg. Length & 5' for cleanout)	\$ 15.00	\$ -
	L.F.	4" P.V.C. Force Main & Fittings	\$ 26.00	\$ -
	L.F.	8" V.C.P.	\$ 30.00	\$ -
	L.F.	10" V.C.P.	\$ 35.00	\$ -
	L.F.	12" V.C.P.	\$ 40.00	\$ -
	L.F.	15" V.C.P.	\$ 50.00	\$ -
14	EA.	Standard or Terminus Manholes	\$ 2,500.00	\$ 35,000
	EA.	Drop Manholes	\$ 4,000.00	\$ -
	EA.	Cleanouts	\$ 500.00	\$ -
	EA.	Sewer Y's	\$ 30.00	\$ -
	EA.	Chimneys	\$ 400.00	\$ -
14	EA.	Adjust M.H. to grade	\$ 500.00	\$ 7,000
	L.F.	Concrete Encasement	\$ 35.00	\$ -
	EA.	4" P.V.C. Misc. Fittings	\$ 120.00	\$ -
	L.F.	Sewer Pipe Sleeving	\$ 45.00	\$ -
	EA.	Sewer Lift Station		\$ -
28	EA.	Backflow prevention device	\$ 400.00	\$ 11,200
1,741	L.F.	4" P.V.C Sewer Lateral	\$ 17.00	\$ 29,597
2,157	L.F.	8" P.V.C.	\$ 35.00	\$ 75,495
4	L.F.	8" P.V.C. Misc. Fittings and Plugs	\$ 200.00	\$ 800
4	EA.	Remove 8" Plug	\$ 200.00	\$ 800
				\$ -

A.	Subtotal	\$ 159,892
B.	Contingency (15% x A)	\$ 23,984
C.	Sewer Total (A + B)	\$ 183,876

**AGREEMENT TO PROVIDE SECURITY FOR IMPROVEMENTS
FOR TRACT MAP OR PARCEL MAP OR PLOT PLAN
(Tract Map/Parcel Map/Plot Plan No. 27971-7)**

THIS SECURITY AGREEMENT is made by and between CITY OF BEAUMONT (“CITY”) and RSI Communities - California LLC, a Delaware limited liability company (“DEVELOPER”).

RECITALS

A. DEVELOPER has applied to the CITY for permission to develop certain real property, pursuant to Tract Map/Parcel Map/Plot Plan #27971-7 (“Map”). DEVELOPER has also asked the CITY to accept the dedication of the street or streets and other proposed public rights-of-way, parks and recreation facilities, and easements as depicted on the Map and to otherwise approve the Map so that it may be recorded as required by law; and

B. The CITY requires, as a condition precedent to the acceptance and approval of the Map and the dedication of the public rights-of-way and easements depicted thereon, that such rights-of-way be improved with (for example) grading, paving, curbs, gutters, sidewalks, street lights, stormdrains, sanitary sewers and appurtenances thereto, street name signs, survey monuments, electrical and telecommunications, water pipes, water mains, fire hydrants and appurtenances thereto, and landscaping, including any warranty work for all such improvements (collectively, “Improvements”); and

C. The Improvements have not yet been constructed and completed and it is the purpose of this Security Agreement to set forth the terms and conditions by which the DEVELOPER shall guarantee that such Improvements shall be constructed and completed within the time set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the acceptance of the DEVELOPER’s offer of dedication and the approval of the Map for filing and recording as provided and required by law, the CITY and the DEVELOPER hereby agree as follows:

1. Provision of Improvements. DEVELOPER shall provide, at the DEVELOPER’s sole cost and expense, all necessary labor and materials to complete the construction of the Improvements depicted on the Map and described in the conditions of approval of the Map within one (1) year of the date of this Security Agreement.

2. Inspection by the CITY. The CITY shall inspect, at the DEVELOPER’s sole cost and expense, all of the work, labor and materials performed and provided by the DEVELOPER in connection with the Improvements.

3. Compliance with Plans and Specifications. The Improvements shall be constructed and installed in strict accordance with the CITY-approved plans and specifications.

4. Security for Performance. Concurrently with the execution of this Security Agreement by DEVELOPER, DEVELOPER shall deliver to the CITY a performance bond issued by a corporate surety in substantially the form attached hereto as **Exhibit "A"**, in an amount that is not less than 100% of the total estimated cost of the Improvements and any warranty therefor. The performance bond shall be issued by an "admitted" corporate surety insurer authorized to do business in the State of California and the surety insurer shall have an A.M. Best rating of at least "A, XV". The surety insurer shall have assets exceeding its liabilities in the amount equal to or in excess of the amount of the bond, and the bond shall not be in excess of 10% of the surety insurer's assets. The security or bond shall also insure against any and all defects in the Improvements for a period of not less than one full year after the date of acceptance thereof by the CITY. The bond shall be duly executed and shall meet all the requirements of Section 995.660 of the California Code of Civil Procedure.

5. Security for Contractors, Subcontractors, Laborers and Materialmen. The DEVELOPER shall also provide a payment bond issued by a corporate surety for the security of laborers and materialmen, which bond or bonds shall be in substantially the form attached hereto as **Exhibit "B"** and made a part hereof. The amount of the bond(s) shall be no less than 100% of the total estimated amount needed to secure payment to the contractor, to the subcontractors, and to the persons furnishing labor, materials, or equipment to them for the Improvements. The laborers and materialmen bond shall be provided by an "admitted" corporate surety insurer authorized to transact surety insurance in the State of California with an A.M. Best rating of "A, XV", and with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bond, and the bond shall not be in excess of 10% of the surety insurer's assets. The bond shall be duly executed and shall meet all the requirements of Section 995.660 of the California Code of Civil Procedure.

6. General Liability and Worker's Compensation Insurance. The DEVELOPER shall, before commencing any work, obtain commercial general liability insurance (primary) of not less than \$2,000,000.00 per occurrence for all coverages and \$2,000,000.00 general aggregate. The CITY and its employees and agents shall be added as additional insureds. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the CITY or any employee or agent of the CITY. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage or employment-related practices. Such insurance shall not prohibit the DEVELOPER, and its employees or agents, from waiving the right of subrogation prior to a loss. The DEVELOPER waives its right of subrogation against the CITY. Unless otherwise approved by the CITY, the DEVELOPER's insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best rating of "A, XV." Self-insurance shall not be considered to comply with these insurance specifications. The DEVELOPER agrees to require all contractors, subcontractors and other parties hired for the Improvements to purchase and maintain insurance of the types specified

herein, naming as additional insureds all of the parties to this Security Agreement. The DEVELOPER shall, before commencing any work, obtain Worker's Compensation Insurance in an amount required by law and, failing to do so, the CITY may procure such insurance at the cost of the DEVELOPER.

7. Comprehensive Commercial General and Automobile Liability Insurance. The DEVELOPER, before commencing any work shall, at its own expense, maintain comprehensive commercial general and automobile liability insurance issued by a California-admitted surety company with an A.M. Best rating of no less than "A, XV" for \$2,000,000 per occurrence. Coverage shall be for the entire duration of the permitted activities. Such liability insurance policy shall name, by endorsement, the City as an additional insured.

8. Indemnification. Notwithstanding the provisions of Government Code, Section 66474.9 or any other statutes of similar import, and to the full extent permitted by law, the DEVELOPER shall defend, indemnify and hold harmless the CITY, its employees, agents, officials and attorneys, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind or nature, whether actual, alleged or threatened, reasonable attorneys' fees, court costs, interest, expert witness fees and any other costs or expenses of any kind whatsoever, without restriction or limitation, incurred in relation to, as a consequence of, or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part, to the Map, the Improvements, this Agreement, or any matter related to the same; provided, however, that the indemnification to be provided by DEVELOPER to the CITY pursuant to the terms of this paragraph shall not be applicable where the aforementioned liability, claim, suit, action, etcetera, is the result of the sole negligence or sole willful misconduct of the CITY.

9. Procedure for Release of Performance Bond Security. The security furnished by the DEVELOPER shall be released in whole or in part in the following manner:

a. Security shall be released upon final completion and acceptance of the Improvements. If the security furnished by the DEVELOPER is a documentary evidence of security, such as a surety bond, the CITY shall release the documentary evidence and return the original to the Surety upon final completion and acceptance of the Improvements. In the event the CITY is unable to return the original documentary evidence to the Surety, the security shall be released by written notice sent by certified mail to the DEVELOPER and to the Surety within 30 days of the City's acceptance of the Improvements. The written notice shall contain a statement that the work for which security was furnished has been completed and accepted, a description of the Improvements, and the notarized signature of an authorized CITY official.

b. At such time as the DEVELOPER believes that the work for which the security was required is complete and makes payment of a partial exoneration fee of \$350 to the CITY, the DEVELOPER shall notify the CITY in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the CITY shall have 45 days to review and comment or approve the completion of the Improvements. If the CITY does not agree that all work has been completed in accordance with the plans

and specifications for the Improvements, it shall supply a list of all remaining work to be completed.

c. Within 45 days of receipt of the CITY's list of remaining work, the DEVELOPER may then provide cost estimates for all remaining work for review and approval by the CITY.

d. Upon receipt of the cost estimates, the CITY shall then have 45 days to review, comment, and approve, modify or disapprove those cost estimates. The CITY shall not be required to engage in this process of partial release more than once between the start of work and the completion and acceptance of all work.

e. The DEVELOPER shall complete the works of Improvement until all remaining items are accepted by the CITY. Upon completion of the Improvements, the DEVELOPER shall be notified in writing by the CITY within 45 days and, within 45 days of the date of the CITY's notice, the release of any remaining performance security shall be made within 60 days of the recording of the Notice of Completion.

10. Procedure for Release of Payment Bond Security. Security securing the payment to the contractor, his or her subcontractors and persons furnishing labor, materials or equipment may, after passage of the time within which mechanic's liens and stop notices are required to be recorded and after acceptance of the Improvements, be reduced by Surety to an amount equal to the total claimed by all claimants for whom mechanic's liens and stop notices have been recorded and notice thereof given in writing to the CITY, and if no claims have been recorded, the security may be released in full.

11. Security for One-Year Warranty Period. The release procedures described in paragraphs 9 and 10 above shall not apply to any required guarantee and warranty period nor to the amount of the performance bond security deemed necessary by the CITY for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees.

12. Binding Effect. This Security Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their legal representatives and their successors and assigns.

13. Authority to Execute. The DEVELOPER hereby warrants and represents to the CITY that the individual signing this Security Agreement on behalf of the DEVELOPER is vested with the unconditional authority to do so pursuant to, and in accordance with, all applicable legal requirements, and has the authority bind the DEVELOPER hereto.

14. No Assignment. The DEVELOPER may not assign this Security Agreement, or any part thereof, to another without the prior written consent of the CITY.

15. Attorneys' Fees. In the event of legal action to enforce or interpret this Agreement or any of its provisions, the prevailing party shall be entitled, in addition to any other form of relief, to recover its reasonable attorneys' fees and costs of suit.

16. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates listed below.

CITY OF BEAUMONT

By 
Mayor

October 2, 2018
Date

DEVELOPER

By 

1/3/2018
Date

Darius Fatakia
Title: **Vice President Land Development**

Address: 680 Newport Center drive, 3rd Floor
Newport Beach, CA 92660

Corrected Original

Basic Gov (Sales Force) # 17-4258
File # 3120

EXHIBIT "A"

Bond No.: 1154352
Premium: \$2,648.00/2 yrs.

PERFORMANCE BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and RSI Communities California LLC, a Delaware limited liability company (hereinafter designated as "Principal") have entered into Agreement To Provide Security For Improvements For Tract Map Or Parcel Map Or Plot Plan, dated December, 2017, whereby Principal agrees to install and complete certain designated public improvements itemized and described on Tract Map, Parcel Map or Plot Plan No. 27971-7, which is hereby incorporated herein and made a part hereof; and

WHEREAS, Principal is required under the terms of the said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the Principal and Lexon Insurance Company, as Surety, are held and firmly bound unto the City of Beaumont (hereinafter called "City"), in the penal sum of One hundred eighty three thousand eight hundred seventy five dollars and eighty cents (\$183,875.80) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment therein rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on December 28th, 2017.

PRINCIPAL:

SURETY:

RSI Communities - California LLC
a Delaware limited liability company

Lexon Insurance Company

By 

By 

Title **Darius Fatakia**
Vice President Land Development

Title Todd M. Rohm, Attorney-in-Fact

ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On December 28, 2017 before me, Susan E. Morales, Notary Public,
(Here insert name and title of the officer)

personally appeared Todd M. Rohm,
who 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.

Susan E. Morales
Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Bond 1154352
(Title or description of attached document)

Lexon Insurance Company
(Title or description of attached document continued)

Number of Pages 1 Document Date 12/28/17

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
_____ (Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

Corrected Original

Bond No.: 1154532
Premium included with
the Performance Bond

EXHIBIT "B"

PAYMENT BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and RSI Communities - California LLC, a Delaware limited liability company (hereafter designated as "the Principal") have entered into Agreement To Provide Security For Improvements For Tract Map Or Parcel Map Or Plot Plan, dated December, 2017, whereby Principal agrees to install and complete certain designated public improvements itemized and described on Tract Map, Parcel Map or Plot Plan No. 27971-7, which is hereby incorporated herein and made a part hereof; and

WHEREAS, under the terms of the said agreement, the Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Beaumont to secure the claims to which reference is made in Section 8000, et seq., of the Civil Code of the State of California.

NOW, THEREFORE, the Principal and the undersigned as corporate surety, are held firmly bound unto the City of Beaumont and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the said agreement and referred to at Section 8000, et seq., of the Civil Code in the sum of ^{One hundred eighty three thousand eight hundred seventy five dollars and} ~~eighty cents (\$183,875.80)~~ , for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Section 8000, et seq., of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on December 28th, 20 17.

PRINCIPAL:

SURETY:

RSI Communities - California LLC
a Delaware limited liability

Lexon Insurance Company

By 

By 

Title **Darius Fatakia**
Vice President Land Development

Title Todd M. Rohm, Attorney-in-Fact

ALL - PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of Orange }

On December 28, 2017 before me, Susan E. Morales, Notary Public,
(Here insert name and title of the officer)

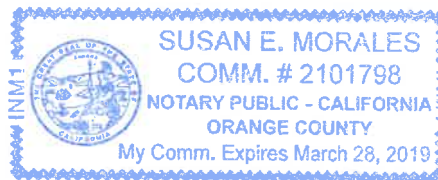
personally appeared Todd M. Rohm,
who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by 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.

Susan E. Morales
Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Bond 1154352
(Title or description of attached document)

Lexon Insurance Company
(Title or description of attached document continued)

Number of Pages 1 Document Date 12/28/17

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

_____ (Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they~~, is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

POWER OF ATTORNEY

LX- 310350

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Todd M. Rohm, Cathy S. Kennedy, Beata A. Sensi, Cheryl L. Thomas, Shane Wolf its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$5,000,000.00, Five Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.



LEXON INSURANCE COMPANY

BY [Signature] David E. Campbell President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.



AMY TAYLOR Notary Public- State of Tennessee Davidson County My Commission Expires 07-08-19

BY [Signature] Amy Taylor Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 28th Day of December, 2017.



BY [Signature] Andrew Smith Assistant Secretary

WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Basic Gov (Sales Force) # 17-4289
File # 3227A

**AGREEMENT TO PROVIDE SECURITY FOR IMPROVEMENTS
FOR TRACT MAP OR PARCEL MAP OR PLOT PLAN
(Tract Map/Parcel Map/Plot Plan No. 27971-7)**

Street Improvements

THIS AGREEMENT TO PROVIDE SECURITY FOR IMPROVEMENTS (“Security Agreement”) is made by and between CITY OF BEAUMONT (“CITY”) and RSI Communities-California LLC, a Delaware limited liability company (“DEVELOPER”).

RECITALS

A. DEVELOPER has applied to the CITY for permission to develop certain real property, pursuant to Tract Map/Parcel Map/Plot Plan # 27971-7, (“Map”). DEVELOPER has also asked the CITY to accept the dedication of the street or streets and other proposed public rights-of-way, parks and recreation facilities, and easements as depicted on the Map and to otherwise approve the Map so that it may be recorded as required by law; and

B. The CITY requires, as a condition precedent to the acceptance and approval of the Map and the dedication of the public rights-of-way and easements depicted thereon, that such rights-of-way be improved with (for example) grading, paving, curbs, gutters, sidewalks, street lights, stormdrains, sanitary sewers and appurtenances thereto, street name signs, survey monuments, electrical and telecommunications, water pipes, water mains, fire hydrants and appurtenances thereto, and landscaping, including any warranty work for all such improvements (collectively, “Improvements”); and

C. The Improvements have not yet been constructed and completed and it is the purpose of this Security Agreement to set forth the terms and conditions by which the DEVELOPER shall guarantee that such Improvements shall be constructed and completed within the time set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the acceptance of the DEVELOPER’s offer of dedication and the approval of the Map for filing and recording as provided and required by law, the CITY and the DEVELOPER hereby agree as follows:

1. Provision of Improvements. DEVELOPER shall provide, at the DEVELOPER’s sole cost and expense, all necessary labor and materials to complete the construction of the Improvements depicted on the Map and described in the conditions of approval of the Map within one (1) year of the date of this Security Agreement.

2. Inspection by the CITY. The CITY shall inspect, at the DEVELOPER’s sole cost and expense, all of the work, labor and materials performed and provided by the DEVELOPER in connection with the Improvements.

3. Compliance with Plans and Specifications. The Improvements shall be constructed and installed in strict accordance with the CITY-approved plans and specifications.

4. Security for Performance. Concurrently with the execution of this Security Agreement by DEVELOPER, DEVELOPER shall deliver to the CITY a performance bond issued by a corporate surety in substantially the form required by California Government Code 66499.1 and attached hereto as **Exhibit "A"**, in an amount that is not less than 100% of the total estimated cost of the Improvements and any warranty therefor. The performance bond shall be issued by an "admitted" corporate surety insurer authorized to do business in the State of California and the surety insurer shall have an A.M. Best rating of at least "A, XV". The surety insurer shall have assets exceeding its liabilities in the amount equal to or in excess of the amount of the bond, and the bond shall not be in excess of 10% of the surety insurer's assets. The security or bond shall also insure against any and all defects in the Improvements for a period of not less than one full year after the date of acceptance thereof by the CITY. The bond shall be duly executed and shall meet all the requirements of Section 995.660 of the California Code of Civil Procedure.

5. Security for Contractors, Subcontractors, Laborers and Materialmen. The DEVELOPER shall also provide a payment bond issued by a corporate surety for the security of laborers and materialmen, which bond or bonds shall be in substantially the form required by California Government Code Section 66499.2 attached hereto as **Exhibit "B"** and made a part hereof. The amount of the bond(s) shall be no less than 100% of the total estimated amount needed to secure payment to the contractor, to the subcontractors, and to the persons furnishing labor, materials, or equipment to them for the Improvements. The laborers and materialmen bond shall be provided by an "admitted" corporate surety insurer authorized to transact surety insurance in the State of California with an A.M. Best rating of "A, XV", and with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bond, and the bond shall not be in excess of 10% of the surety insurer's assets. The bond shall be duly executed and shall meet all the requirements of Section 995.660 of the California Code of Civil Procedure.

6. General Liability and Worker's Compensation Insurance. The DEVELOPER shall, before commencing any work, obtain commercial general liability insurance (primary) of not less than \$2,000,000.00 per occurrence for all coverages and \$2,000,000.00 general aggregate. The CITY and its employees and agents shall be added as additional insureds. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the CITY or any employee or agent of the CITY. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage or employment-related practices. Such insurance shall not prohibit the DEVELOPER, and its employees or agents, from waiving the right of subrogation prior to a loss. The DEVELOPER waives its right of subrogation against the CITY. Unless otherwise approved by the CITY, the DEVELOPER's insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best rating of "A, XV." Self-insurance shall not be considered to comply with these insurance specifications. The DEVELOPER agrees to require all contractors, subcontractors and other parties hired for the Improvements to purchase and maintain insurance of the types specified herein, naming as additional insureds all of the parties to this Security Agreement. The DEVELOPER shall, before commencing any work, obtain Worker's

Compensation Insurance in an amount required by law and, failing to do so, the CITY may procure such insurance at the cost of the DEVELOPER.

7. Comprehensive Commercial General and Automobile Liability Insurance. The DEVELOPER, before commencing any work shall, at its own expense, maintain comprehensive commercial general and automobile liability insurance issued by a California-admitted surety company with an A.M. Best rating of no less than "A, XV" for \$2,000,000 per occurrence. Coverage shall be for the entire duration of the permitted activities. Such liability insurance policy shall name, by endorsement, the City as an additional insured.

8. Indemnification. Notwithstanding the provisions of Government Code, Section 66474.9 or any other statutes of similar import, and to the full extent permitted by law, the DEVELOPER shall defend, indemnify and hold harmless the CITY, its employees, agents, officials and attorneys, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind or nature, whether actual, alleged or threatened, reasonable attorneys' fees, court costs, interest, expert witness fees and any other costs or expenses of any kind whatsoever, without restriction or limitation, incurred in relation to, as a consequence of, or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part, to the Map, the Improvements, this Agreement, or any matter related to the same; provided, however, that the indemnification to be provided by DEVELOPER to the CITY pursuant to the terms of this paragraph shall not be applicable where the aforementioned liability, claim, suit or action is the result of the sole negligence or sole willful misconduct of the CITY.

9. Procedure for Release of Performance Bond Security. The security furnished by the DEVELOPER shall be released in whole or in part in the following manner:

a. Security shall be released upon final completion and acceptance of the Improvements. If the security furnished by the DEVELOPER is a documentary evidence of security, such as a surety bond, the CITY shall release the documentary evidence and return the original to the Surety upon final completion and acceptance of the Improvements. In the event the CITY is unable to return the original documentary evidence to the Surety, the security shall be released by written notice sent by certified mail to the DEVELOPER and to the Surety within 30 days of the City's acceptance of the Improvements. The written notice shall contain a statement that the work for which security was furnished has been completed and accepted, a description of the Improvements, and the notarized signature of an authorized CITY official.

At such time as the DEVELOPER believes that the work for which the security was required is complete and makes payment of a partial exoneration fee of \$350 to the CITY, the DEVELOPER shall notify the CITY in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the CITY shall have 45 days to review and comment or approve the completion of the Improvements. If the CITY does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed.

c. Within 45 days of receipt of the CITY's list of remaining work, the DEVELOPER may then provide cost estimates for all remaining work for review and approval by the CITY.

d. Upon receipt of the cost estimates, the CITY shall then have 45 days to review, comment, and approve, modify or disapprove those cost estimates. The CITY shall not be required to engage in this process of partial release more than once between the start of work and the completion and acceptance of all work.

e. The DEVELOPER shall complete the works of Improvement until all remaining items are accepted by the CITY. Upon completion of the Improvements, the DEVELOPER shall be notified in writing by the CITY within 45 days and, within 45 days of the date of the CITY's notice, the release of any remaining performance security shall be made within 60 days of the recording of the Notice of Completion.

10. Procedure for Release of Payment Bond Security. Security securing the payment to the contractor, his or her subcontractors and persons furnishing labor, materials or equipment may, after passage of the time within which mechanic's liens and stop notices are required to be recorded and after acceptance of the Improvements, be reduced by Surety to an amount equal to the total claimed by all claimants for whom mechanic's liens and stop notices have been recorded and notice thereof given in writing to the CITY, and if no claims have been recorded, the security may be released in full.

11. Security for One-Year Warranty Period. DEVELOPER shall guarantee or warranty the work done pursuant to this Agreement for a period of one year after final formal acceptance of the SUBDIVISION by the City Council against any defective work or labor done or defective materials furnished. If within the warranty period any work or improvement or part of any work or improvement done, furnished, installed, or constructed by DEVELOPER fails to fulfill any of the requirements of this Agreement or the improvement plans and specifications referred to herein, DEVELOPER shall without delay and without any cost to CITY, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should DEVELOPER fail to act promptly or in accordance with this requirement, DEVELOPER hereby authorizes CITY, at CITY's option, to perform the work twenty (20) days after mailing written notice of default to DEVELOPER and to DEVELOPER's surety, and agrees to pay the cost of such work by CITY. Should CITY determine that an urgency requires repairs or replacements to be made before DEVELOPER can be notified, CITY may, in its sole discretion, make the necessary repairs or replacement or perform the necessary work and DEVELOPER shall pay to CITY the cost of such repairs. If no claims have been made under the warranty bond during the warranty period, City shall release the warranty bond. The release procedures described in paragraphs 9 and 10 above shall not apply to any required guarantee and warranty period nor to the amount of the performance bond security deemed necessary by the CITY for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees.

12. Binding Effect. This Security Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their legal representatives and their successors and assigns.

13. Authority to Execute. The DEVELOPER hereby warrants and represents to the CITY that the individual signing this Security Agreement on behalf of the DEVELOPER is vested with the unconditional authority to do so pursuant to, and in accordance with, all applicable legal requirements, and has the authority bind the DEVELOPER hereto.

14. No Assignment. The DEVELOPER may not assign this Security Agreement, or any part thereof, to another without the prior written consent of the CITY.

15. Attorneys' Fees. In the event of legal action to enforce or interpret this Agreement or any of its provisions, the prevailing party shall be entitled, in addition to any other form of relief, to recover its reasonable attorneys' fees and costs of suit.

16. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates listed below.

CITY OF BEAUMONT

By: [Signature]
Mayor

Date: 4/23/2021

DEVELOPER
RSI COMMUNITIES-CALIFORNIA LLC, a Delaware limited liability company

By: [Signature]
Bryan Bergeron

Date: 2-17-2021

Title: Vice President

EXHIBIT "A"

PERFORMANCE BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and RSI Communities-California LLC, a Delaware limited liability company (hereinafter designated as "Principal") have entered into Agreement To Provide Security For Street Improvements For Tract 27971-7, dated February 17, 2021, whereby Principal agrees to install and complete certain designated public improvements itemized and described on Tract Map, Parcel Map or Plot Plan No. _____, which is hereby incorporated herein and made a part hereof; and

WHEREAS, Principal is required under the terms of the said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the Principal and Philadelphia Indemnity Insurance Company, as Surety, are held and firmly bound unto the City of Beaumont (hereinafter called "City"), in the penal sum of Eight Hundred Five Thousand Four Hundred Twenty Seven and 80/100 dollars (\$ 805,427.80) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment therein rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

[signatures on following page]

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on Feb. 17, 2021

(Seal)

(Seal)

RSI Communities-California LLC, a Delaware limited liability company

SURETY
Philadelphia Indemnity Insurance Company

PRINCIPAL
RSI Communities-California LLC

By: [Signature]

By: [Signature]

Name: Martha Barreras

Name: Bryan Bergeron

Title: Attorney-In-Fact

Title: vice president

Address: 19800 MacArthur Blvd. Ste. 1250

By: _____

Irvine CA 92612

Name: _____

Title: _____

Address: 4695 MacArthur court
8th Floor
Newport Beach, CA 92660

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

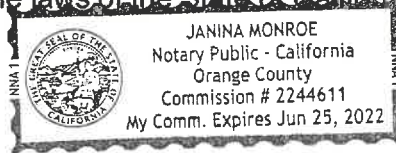
State of California }

County of Orange }

On FEB 11 2021 before me, Janina Monroe, Notary Public,
(Here insert name and title of the officer)

personally appeared Martha Barreras,
who 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]
Notary Public Signature

(Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they~~, is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That PHILADELPHIA INDEMNITY INSURANCE COMPANY (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint JANINA MONROE, THOMAS G. MCCALL, TIMOTHY J. NOONAN, MICHELLE HAASE AND MARTHA BARRERAS OF LOCKTON COMPANIES, LLC its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed \$50,000,000.00.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

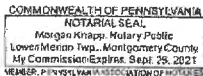
IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 27TH DAY OF OCTOBER, 2017.



(Seal)

Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 27th day of October, 2017, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the PHILADELPHIA INDEMNITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.



(Notary Seal)

Notary Public:

residing at:

Bala Cynwyd, PA

My commission expires:

September 25, 2021

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 27th day of October, 2017 are true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this _____ day of FEB 11 2021.



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

EXHIBIT "B"
PAYMENT BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and RSI Communities-California LLC, a Delaware limited liability company (hereafter designated as "the Principal") have entered into Agreement To Provide Security For Street Improvements For Tract 27971-7, dated February 17, 2021, whereby Principal agrees to install and complete certain designated public improvements which is hereby incorporated herein and made a part hereof; and

WHEREAS, under the terms of the said agreement, the Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Beaumont to secure the claims to which reference is made in Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, the Principal and the undersigned as corporate surety, are held firmly bound unto the City of Beaumont and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the said agreement and referred to at Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code in the sum of One Hundred Eighty One Thousand * dollars (\$181,221.26), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered. *Two Hundred Twenty One and 26/100

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

[signatures on following page]

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety
above named, on Feb. 11, 2021

(Seal)

(Seal)

RSI Communities-California LLC, a Delaware limited liability company

SURETY
Philadelphia Indemnity Insurance Company
By: *M. Barreras*

Name: Martha Barreras

Title: Attorney-In-Fact

Address: 19800 MacArthur Blvd. Ste. 1250

Irvine CA 92612

PRINCIPAL
RSI Communities-California LLC
By: *Bryan Bergeron*

Name: Bryan Bergeron

Title: Vice President

By: _____

Name: _____

Title: _____

Address: 4695 MacArthur Court
8th Floor
Newport Beach, CA 92660

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

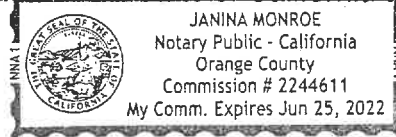
State of California }

County of Orange }

On FEB 11 2021 before me, Janina Monroe, Notary Public
(Here insert name and title of the officer)

personally appeared Martha Barreras,
who 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.

[Handwritten Signature]

Notary Public Signature

(Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
- _____ (Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

PHILADELPHIA INDEMNITY INSURANCE COMPANY
One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That PHILADELPHIA INDEMNITY INSURANCE COMPANY (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint JANINA MONROE, THOMAS G. MCCALL, TIMOTHY J. NOONAN, MICHELLE HAASE AND MARTHA BARRERAS OF LOCKTON COMPANIES, LLC its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed \$50,000,000.00.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

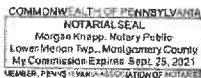
IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 27TH DAY OF OCTOBER, 2017.



(Seal)

Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 27th day of October, 2017, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the PHILADELPHIA INDEMNITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.



(Notary Seal)

Notary Public:

residing at:

Bala Cynwyd, PA

My commission expires:

September 25, 2021

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 27th day of October, 2017 are true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this _____ day of **FEB 11 2021**, 20_____.



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of Beaumont, a California municipal corporation (hereinafter referred to as "City"), and RSI Communities-California LLC, a Delaware limited liability company, (hereinafter referred to as "Subdivider"). City and Subdivider are sometimes referred to hereinafter individually as a "Party", and collectively as the "Parties".

RECITALS

A. Subdivider is the owner of certain real property located in the City of Beaumont legally described on Exhibit "A" attached hereto and incorporated and made part of this Agreement by this reference (the "Property").

B. The conditions of approval of the above referenced Tentative Tract Map and any related entitlements, which are hereby incorporated herein by this reference, require that prior to the issuance of building permits, the Subdivider and the City shall enter into a subdivision improvement agreement, secured with sufficient security, as a guarantee of the construction and completion of all public and private improvements and land development work required by said conditions of approval and by the City subdivision laws and codes.

D. In consideration of the approval of a final map by the City Council, Subdivider desires to enter into this Agreement, whereby Subdivider promises to install and complete, at Subdivider's own expense, all the public improvement work required by City in connection with the proposed subdivisoion. Subdivider has secured this Agreement by improvement security required by the Subdivision Laws.

E. Improvement Plans (the "Plans") for the construction, installation, and completion of the public and private improvements are being or have been prepared by Subdivider and will be subject to approval by the Director of Engineering/Public Works ("City Engineer"). The City has adopted standards (hereinafter "Standards") for the construction and installation of improvements within the City, and the Plans will be prepared in conformance with the Standards in effect on the date of the approval of the Application. The Plans will be on file in the Office of the City Engineer and are incorporated into this Agreement by this reference as if set forth fully herein. All references in this Agreement to the Plans shall be deemed to include reference to any specifications for all of the improvements as approved by the City Engineer.

F. An estimate of the cost for construction of the public and private improvements and performing the land development work according to the Plans has been made and approved by the City Engineer. The estimated cost of these improvements is set forth on Page One (1) of this Agreement, and the basis for the estimate is attached hereto as Exhibit "B" and incorporated and made part of this Agreement by this reference. The amounts of the Improvement Securities required to be posted with this Agreement are also based upon the estimate in Exhibit "B".

G. For the purposes of this Agreement, the term "Public Improvements" means all those improvements within the Tract intended for transfer or conveyance to the City or other public agency. The estimated cost of their construction is included in the above estimate included herein as Exhibit "B".

NOW, THEREFORE, in consideration of the issuance of the Final Tract map, Subdivider and City hereby agree as follows:

1. Subdivider's Obligation to Construct Improvements.

(a) In constructing and installing the improvements, Subdivider shall comply with all of the requirements and conditions of approval of in the Tentative Tract Map, related entitlements as well as the provisions of the Municipal Code and Subdivision Laws.

(b) Subdivider shall complete, at its own expense, all the public and private improvements and related work on the Development, as required by the conditions of approval of the Tentative Map and related entitlements in conformance with the approved Plans and City Standards, including without limitation, those improvements set forth in Exhibit "B" (hereinafter collectively the "Improvements") within twenty-four (24) months of the date of this Agreement, unless a time extension is granted by the City as authorized by Section 20 of this Agreement.

(c) Notwithstanding the time limits specified in Section 1(b) above, no single family dwelling unit or group of units shall be given final inspection and clearance for occupancy by City unless the private and public streets providing access to and fronting such units are completed, the final lifts of pavement on the streets are in place, and all wet and dry utility services (e.g. sewer, water, electrical power, telephone, gas, etc.) to such units are in place and are operational.

(d) Subdivider shall furnish the necessary materials for completion of the Improvements in conformity with the Plans and City Standards.

(e) Subdivider shall acquire and dedicate, or pay the cost of acquisition by the City, of all right-of-way, easements and other interests in real property required for construction or installation of the Improvements, free and clear of all liens and encumbrances. Subdivider's obligations relating to acquisition by City of off-site rights-of-way, easements and other interests in real property shall be subject to a separate agreement between Subdivider and City. Subdivider shall also be responsible for obtaining any public or private drainage easements or authorizations therefor to accommodate the Development.

(f) Subdivider shall furnish and install all monuments, stakes and property corners on the lots and streets in the Property as specified on the final recorded tract maps for the Development in accordance with the provisions of the Subdivision Laws, and shall submit centerline tie sheets to City, within thirty (30) days after completion of the Improvements, or as specified in any separate monument agreement with the City, but in any event prior to their acceptance by the City.

2. Improvement Securities.

(a) Subdivider agrees to secure this Agreement with good and sufficient improvement securities in a form approved by the City Attorney (referred collectively hereinafter as "Improvement Securities" and individually as "Improvement Security") to guarantee the construction and completion of all the improvements in the Development. All such improvement securities shall be posted with the City prior to the City's final building inspection and issuance of a Certificate of Occupancy for any single family dwelling constructed by Subdivider, its agents, assigns or contractors, on any lot within the Development, as described in Exhibit "A". Said securities are estimated at this time in Exhibit "B" to be in the following amounts, and shall be for the purposes described as follows:

- (i) Twenty Two thousand and 00/100 DOLLARS (\$22,000.00) (\$XXX,XXX.XX) to ensure faithful performance of the construction and installation of the public and private Improvements required by this Agreement ("Performance Security"), which amount is 100% of the estimated cost of the Improvements as set forth in Exhibit "B"; and (\$22,000.00)
- (ii) Twenty Two thousand and 00/100 DOLLARS (\$XXX,XXX.XX) to secure payment to any contractor, subcontractor, persons renting equipment or furnishing labor materials for the Improvements required to be constructed or installed pursuant to this Agreement ("Labor & Materials Security"), which amount is one-hundred percent (100%) of the estimated cost of the Improvements; and
- (iii) NA and 00/100 DOLLARS (\$ XX,XXX.XX) in the form of a Warranty Bond or cash deposit with the City to guarantee or warranty the Improvement work done pursuant to this Agreement for a period of one (1) year following acceptance/certification thereof by City, against any defective work or labor done or defective materials furnished ("Warranty Security"). The Warranty Security is 10% of the estimated cost of the Performance Security amount described above, and such Warranty Security must be provided by Subdivider to City prior to the City's release of any bonds or Improvement Securities filed with this Agreement.
- (iv) NA and 00/100 Dollars (\$X,XXX.XX) in the form of a cash deposit, which is 100% of the estimated cost of setting all final subdivision monuments, boundary corners, front and rear lot corners and centerline ties not previously set or submitted on the lots and streets within the Property as described in Exhibit "A", and for the preparation and recordation of any related Certificate of Correction, as required by Section 66469 of the State Subdivision Map Act.

(b) The Improvement Securities required by this Agreement shall be kept on file with the City Clerk. If surety bonds are used, they must be issued by a surety company currently admitted to transact surety insurance business in California by the California Department of Insurance, with a Best's Insurance Guide rating of no less than A-. The terms of any documents evidencing such Improvement Securities as set forth in this Section 2 or

referenced on Page One (1) of this Agreement, are incorporated into this Agreement by this reference as if set forth fully herein. If any Improvement Security is replaced by another type or kind of approved Improvement Security, subject to the approval of the form thereof by the City Attorney, the replacement shall be filed with City Clerk and, upon filing, shall be deemed to have been made a part of and incorporated into this Agreement. Upon filing of a satisfactory replacement Improvement Security with the City Clerk, the former Improvement Security shall be released.

(c) Subdivider agrees to keep its Improvement Securities in full force and effect until they are reduced or released by City. If any Improvement Security provided by Subdivider is cancelled or terminated for any reason by the action of a surety, financial institution or other party, it shall be the responsibility of the Subdivider to immediately, upon written notice from City, provide a substitute Improvement Security which conforms to all the requirements of this Section 2 in the same amount or amounts.

(d) Any additions, changes, alterations, or modifications of this Agreement or to the Plans, Specifications and Improvements referred to herein, including any extension of time within which the work hereunder may be completed, shall not release or exonerate any surety or sureties on the Improvement Security given in connection with this Agreement.

3. Alterations to Improvement Plans; Modification of City Standards.

(a) Any changes, alterations or additions to the Plans or to the Improvements, not exceeding 10% of the original estimated cost of the Improvements, which are mutually agreed upon by City and Subdivider, shall not require Subdivider to increase any Improvement Securities provided under this Agreement. In the event such changes, alterations, or additions exceed 10% of the original estimated cost of the Improvements, Subdivider shall provide additional Performance Security as required by Section 2 of this Agreement for 100% of the total estimated cost of the Improvements as changed, altered, or amended, minus any completed partial releases allowed by Section 7 of this Agreement. Subdivider shall also provide additional Labor & Materials Security as required by Section 2 of this Agreement for 50 % of the total estimated cost of the Improvements as changed, altered, or amended.

(b) Subdivider shall construct all Improvements in a good and workman like manner and in accordance with the City Standards in effect as of the date of the Approval Action specified on Page One (1) hereof. The City reserves the right to modify the Standards applicable to the Subdivision and this Agreement, when necessary to protect the public safety or welfare or to comply with applicable State or Federal law or City zoning ordinances. If Subdivider requests and is granted an extension of time for completion of the Improvements, the City may apply the Standards in effect at the time the extension is granted.

4. Modification of Drainage Plan. Subdivider agrees that if during the course of construction and installation of Improvements it shall be determined by the City Engineer that revision of the

drainage plan is necessary in the public interest, it will undertake such design and construction changes as may be reasonable and as are indicated by the City Engineer and approved by City. Said changes, if any, shall be confined to the Property.

5. **Reserved.**

6. **Inspections; Final Acceptance and Certification of Improvements.**

(a) Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by City inspectors and to the shops wherein any work is in preparation.

(b) Upon completion of the Improvements covered in this Agreement, the Subdivider shall request a final inspection by the City Engineer or his/her authorized representative. Following receipt of such request, the City Engineer shall inspect the Improvements, make certain determinations and take certain actions as follows:

(i) If the City Engineer, or his/her authorized representative, determines that the Public Improvements requiring acceptance by another public agency have been completed in accordance with this Agreement, then the City Engineer shall request said agency to make a final inspection of such improvements and certify to the City that such improvements have been completed and installed to the satisfaction of said agency. Upon receipt of such certification, the City Engineer may release or reduce the securities held for such improvements. Any certification and/or acceptance of the Public Improvements shall not constitute a waiver of any defects by City.

(ii) For Improvements not requiring dedication to or acceptance by the a public agency (the "Private Improvements"), the City Engineer or his/her authorized representative shall inspect such improvements, and/or shall have the discretion to accept a certification from Subdivider's registered civil engineer stating that the Private Improvements have been completed in accordance with the approved Plans, City Standards and the Tentative Map. If the City Engineer, or his/her authorized representative, makes a finding, based on his/her own inspection (and/or any certification submitted by Subdivider's registered civil engineer) that the Private Improvements have been installed and constructed in accordance with the approved Plans, City Standards and the Tentative Map, the City Engineer shall recommend certification of the completion of the Private Improvements by placing an item on the next most convenient City Council agenda requesting certification and authorization to release the Improvement Securities. Said determination by the City Engineer and agendization of the certification and release shall not be unreasonably withheld or delayed.

(c) Subdivider shall bear all costs of inspection and certification of the Improvements.

7. Release of Improvement Securities.

(a) The Performance Security shall be fully released only upon the final completion and certification of all Private Improvements and Public Improvements. Partial releases may be permitted subject to the provisions of Subsections (a)(i) and (a)(ii) hereof. Upon final completion of the Public and Private Improvements under this Agreement, and after City Council acceptance/certification, the City shall file a Notice of Completion in accordance with the California Civil Code.

(i) The City Engineer may release a portion of the Performance Security, as work on the Improvements progresses, upon written application thereof by the Subdivider; provided, however, that no such release shall be considered by City for an amount less the cost estimate of the remaining work does not exceed twenty percent (20%) or less of the estimate of the total amount of work to be done as shown in Exhibit "B". Upon approval of a partial release or the reduction of Performance Security, the City shall not reduce such Performance Security to an amount less than two-hundred- percent (200%) of the value of the work remaining to be done. City and Subdivider agree that not more than two requests for reduction or partial release of Performance Security shall be considered between the start of construction and the completion and acceptance/certification of the Improvements by the City.

(ii) In no event shall the City Engineer authorize a release or reduction of the Performance Security which would reduce such security to an amount below that required to guarantee the completion of the Improvements and any other obligations imposed upon Subdivider by this Agreement.

(iii) No partial reduction or release of the Performance Security shall constitute or be construed as the City's acceptance or certification of any Improvements or related work. Such partial reductions or releases (if any) will merely reflect that a certain portion of the required work has been done.

(b) The Labor & Materials Security shall, ninety (90) days after the City's recordation of the Notice of Completion described in Subsection 7(a), be reduced to an amount equal to the total claimed by all claimants for whom liens have been filed and of which notice has been given to City, plus an amount reasonably determined by the City Engineer to be required to assure the performance of any other obligations secured by the Labor & Materials Security and to cover related legal costs. The balance shall be released upon the settlement of all claims and obligations for which the Labor & Materials Security was given. If no claims or liens have been filed and no notice has been given to City within said ninety (90) day period, then the Labor & Materials Security shall be released in full.

(c) The Warranty Security shall not be released until after the expiration of the one-year (1-year) warranty period and until any claims filed during the warranty period have been settled. As provided in Section 11, below, the warranty period shall not commence until final acceptance/certification of the Improvements and related work by the City Council.

(d) The Monumentation Security may be released in full by the City Engineer in accordance with the terms of the separate monument agreement with the City, or if there is none, upon submittal of the following:

(i) a written certification from the professional engineer or surveyor responsible for setting the monuments stating that all the final monuments for the Subdivision have been set in accordance with the Professional Land Surveyors Act and the Subdivision Map Act, and that the professional engineer or surveyor has been paid in full by Subdivider for such services; and

(ii) centerline tie sheets prepared in a manner acceptable to the City Engineer showing the locations of centerline monuments in existing public or private streets; and

(iii) any Record of Survey required by this Agreement has been filed with the County of Riverside and recorded.

(e) The City may retain from any Improvement Securities released an amount sufficient to cover costs and reasonable expenses and fees, including reasonable attorneys' fees.

8. Injury to Public Improvements, Public Property or Public Utilities Facilities.

Subdivider shall replace or repair, or cause the repair or replacement of any and all public or private improvements, public utilities facilities and survey or subdivision monuments which are destroyed or damaged as a result of any work under this Agreement. Subdivider shall bear the entire cost of replacement or repairs of any and all public or private improvements or utility property damaged or destroyed by reason of any work done under this Agreement, whether such property is owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City or any public or private utility corporation or by any combination of such owners. Any repair or replacement shall be made to the reasonable satisfaction, and subject to the approval of the City Engineer and the owner of any such public or private improvement.

9. Permits. Subdivider shall, at Subdivider's expense, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices and pay all fees and taxes required by law.

10. Notice of Breach/Default of Subdivider.

(a) Default of Subdivider shall include, but not be limited to: (1) Subdivider's failure to timely complete construction of the Improvements; (2) Subdivider's unwarranted failure to timely cure any defect in the Improvements; (3) Subdivider's failure to perform substantial construction work for a period of twenty (20) consecutive calendar days after commencement of the work; (4) Subdivider's insolvency, appointment of a receiver, or the filing of any petition in bankruptcy either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days; (5) the commencement of a foreclosure action against the

Property or a portion thereof, or any conveyance in lieu or in avoidance of foreclosure; (6) Subdivider's failure to keep the Improvement Securities in full force and effect; (7) Subdivider's failure to notify the City of any sale, transfer or other disposition of the Property to a purported new Subdivider; (8) Subdivider's failure to maintain insurance; or (9) the failure of Subdivider or Subdivider's contractors, subcontractors, agents or employees to comply with any other terms and provisions of this Agreement.

(b) In the event of any such default, the City Engineer or the City Council may serve written notice to Subdivider specifying in reasonable detail the nature of the default. Subdivider shall have thirty (30) days from receipt of said notice to cure the default; provided that, if the default is not reasonably susceptible to being cured within said thirty (30) days, Subdivider shall have a reasonable period of time to cure the default so long as Subdivider commences to cure the default within said thirty (30) days and diligently prosecutes the cure to completion.

(c) If following service of such written notice of default, Subdivider fails to cure or commence curing the default to the satisfaction of City within the cure period specified in Subsection 10(b), above, the City Engineer or the City Council may serve notice of Subdivider's default upon Subdivider and where applicable Subdivider's surety, or the holder(s) of any other Improvement Securities, in accordance with the notice provisions set forth in Section 22 of this Agreement.

(d) In the event of service of the notice of default specified in Subsection 10(c), above, Subdivider's surety shall have the duty to take over and complete the Improvements and related work required under this Agreement; provided; however, that if the surety, within twenty (20) days after the serving upon it of such notice of default, does not give the City written notice of its intention to take over the construction of said Improvements or does not, within ten (10) days after giving City notice of such election, commence to complete the Improvements, City may take over the work and prosecute the Improvements to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any costs or damages occasioned City thereby; and, in such event, City, without liability for so doing, may take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to Subdivider as may be on the site of the work and necessary for the completion of same.

(e) The City reserves to itself all remedies available to it at law or in equity for Subdivider's default under this Agreement. The City shall have the right, subject to this Section, to draw upon or utilize the appropriate Improvement Securities to mitigate City's damages in event of default by Subdivider. The right of City to draw upon or utilize the Improvement Securities is additional to and not in lieu of any other remedy available to City. It is specifically recognized that the estimated costs and amounts of Improvement Securities may not reflect the actual cost of construction or installation of the Improvements, and therefore, City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. The sums provided by the

Improvement Securities may be used by City for the completion of the Improvements in accordance with the Plans.

(f) Failure of Subdivider to comply with the terms of this Agreement, including but not limited to, construction of all the Improvements as set forth herein and as required by the Tentative Map, shall constitute Subdivider's consent to: (1) the filing by City of a notice of violation against all of the lots in the Subdivision; (2) withholding of Building permits, utility connections and/or Certificates of Occupancy. The remedies provided by this Subsection (f) are in addition to and not in lieu of any other remedies available to City at law or in equity. Subdivider agrees that the choice of remedy or remedies for Subdivider's default or breach shall be in the sole discretion of City.

(g) In the event that Subdivider fails to perform any obligation hereunder, Subdivider agrees to pay all costs and expenses incurred by City in securing performances of such obligations, including costs of suit and reasonable attorney's fees.

(h) The failure of City to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach, or of any subsequent default or breach of Subdivider. Any failure by the City to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision(s) and further shall not act to release any surety from its obligations under this Agreement.

11. Warranty.

(a) For a period of one (1) year after final acceptance/certification by the City Council of the Improvements, Subdivider shall guarantee or warranty all the Improvements against any defective work or labor done or defective materials furnished. If within the warranty period any work relating to the Improvements or any part of thereof furnished, installed, constructed or caused to be done, furnished, installed or constructed by Subdivider fails to fulfill any of the requirements of this Agreement or the Plans, Subdivider shall without delay and without any cost to City, commence to repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure within thirty (30) days of receiving written notice from City of the defect and diligently prosecute the repair or replacement work to completion.

(b) Should Subdivider fail to act promptly or in accordance with the repair/replacement requirements set forth herein, Subdivider hereby authorizes City, at City's option, to perform the repair/replacement work twenty (20) days after mailing written notice to Subdivider and to Subdivider's surety, and Subdivider agrees to pay City for the cost of such work.

(c) Should the City determine that an emergency or a threat to the public safety and welfare exists from the condition of the Improvements which require repairs, replacements or remedial measures to be made before Subdivider can be notified, City may, in its sole

discretion, make the necessary repairs or replacements or perform the necessary work and Subdivider shall pay to City the cost of such repairs.

12. Subdivider Not Agent of City. Neither Subdivider nor any of Subdivider's agents, officers, employees, or contractors are or shall be considered to be agents of City in connection with the performance of Subdivider's obligations under this Agreement.

13. Injury to Improvement Work; Risk of Loss. Until such time as the Public Improvements are accepted by City, Subdivider shall be responsible for and bear the risk of loss to any of the Public Improvements constructed or installed and shall be responsible for the care, maintenance of and any damage to such Public Improvements. Neither City, nor any of its agents, officers or employees shall be liable or responsible for any accident, loss or damage, regardless of cause, happening or occurring to the Public Improvements specified in this Agreement prior to the completion and acceptance of the Public Improvements by City. All such risks shall be the responsibility of and are hereby assumed by Subdivider. Subdivider is responsible for and shall bear the risk of loss for all Private Improvements at all times.

14. Other Agreements. Nothing contained in this Agreement shall preclude City from expending monies pursuant to agreements concurrently or previously executed between the Parties, or from entering into agreements with other Subdividers for the apportionment of costs of water and sewer mains, or other improvements, pursuant to the provisions of City ordinances providing therefor, nor shall anything in this Agreement commit to any such apportionment.

15. Subdivider's Obligation to Warn Public During Construction. Until final acceptance/certification of the Public Improvements pursuant to Section 6(b)(i), and final certification of construction of the Private Improvements pursuant to Section 6(b)(ii), Subdivider shall give good and adequate warning to the public of each and every dangerous condition existent in said Improvements, and will take all reasonable actions to protect the public from such dangerous conditions in, on or around the work site.

16. Vesting of Ownership. Upon acceptance of the Public Improvements and related work on behalf of the City, and after recordation of the Notice of Completion, ownership of the Public Improvements constructed within the Private streets in the Development shall vest in the name of the City, or applicable government agency or utility company, and any improvement constructed on any public street pursuant to this Agreement shall vest in City.

17. Indemnity/Hold Harmless.

(a) Neither the City, nor any official, officer, employee, contractor or agent thereof, shall be liable for any injury to persons or property occasioned by reason of the acts or omissions of Subdivider, its agents, subcontractors or employees in the performance of this Agreement. Subdivider hereby agrees to, and shall defend and hold harmless City, its elective and appointive boards, commissions and officers, and its agents, contractors and

employees from and against any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, consultant's fees, expert's fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Subdivider's operations, or any subcontractor's operations, to be performed under this Agreement for Subdivider's or subcontractor's tort negligence including active or passive, or strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of Subdivider or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by law, with the exception of the sole negligence or willful misconduct of City.

(b) Subdivider's indemnity, defense and hold harmless obligations under this Section 17 are not conditioned or dependent upon whether City, or its elective and appointive boards, commissions and officers, or its agents, contractors and employees, prepared, supplied or reviewed any Plans or related specifications in connection with the Improvements, or whether City or Subdivider has insurance or other indemnification covering any of these matters.

(c) Subdivider's obligation to indemnify, hold harmless and defend City shall extend to injuries to persons and damages to or alleged taking of property resulting from the design or construction of the Improvements. City's acceptance and/or certification of the Improvements shall not constitute an assumption by City of any responsibility or liability for any damage or alleged taking of property referenced herein. City shall not be responsible or liable for the design or construction of the Improvements constructed or installed pursuant to the Plans, unless the particular Improvement design was required by City over the written objection of Subdivider, which objection stated that the Improvement design was potentially dangerous or defective and set forth a safe and feasible alternative design. After City's acceptance/certification of the Improvements, Subdivider shall remain obligated to correct or eliminate all dangerous conditions caused by defects in design or construction; provided, however, that the Subdivider shall not be responsible for routine maintenance. Subdivider acknowledges and agrees that Subdivider shall be responsible and liable for the design and construction of the Improvements and other work done pursuant to this Agreement, and except as may be provided above, City shall not be liable for any acts or omissions in approving, reviewing, checking, correcting or modifying any Plans, or in inspecting, reviewing or approving any work or construction of Improvements. Subdivider's Improvement Securities shall not be required to secure Subdivider's obligations under this Section 17.

18. Sale or Disposition of Subdivision; Assignment.

(a) Subdivider acknowledges and agrees that sale, transfer or other disposition of the Property prior to completion of the Improvements required hereunder will not relieve Subdivider from the obligations set forth in this Agreement, and Subdivider shall be required to notify City sixty (60) days in advance of any sale or transfer of ownership of the Property or any proposed assignment of this Agreement. If Subdivider sells or otherwise

transfers the Property to any other person or entity prior to final completion of the Improvements, or wishes to assign this Agreement, Subdivider may request a novation of this Agreement and a substitution of Improvement Securities by the new owner or proposed assignee (hereinafter collectively for purposes of this Section, "Successor"). Subdivider shall be required to provide any documentation reasonably required by City to determine the appropriateness of any proposed Successor.

(b) Any proposed Successor must demonstrate to the City its ability to perform and complete the obligations of Subdivider under this Agreement, as determined by objective standards of financial capability, creditworthiness and experience required for such performance, and the City shall have the right to compel the Successor to disclose all documents, information and other material which, in City's sole reasonable discretion, may establish or tend to establish that the proposed Successor meets the standards specified herein. Following approval by City and full execution of a novation (or other such release or assignment and assumption agreement(s) entered into by Subdivider, Successor and City), posting of satisfactory Improvement Securities and submission of required insurance by Successor, City shall release or reduce the securities posted by Subdivider in accordance with the provisions of such novation and release Subdivider of its obligations under this Agreement. Nothing in the novation (or other such release or assignment and assumption agreement entered into by Subdivider, Successor and City) shall relieve Subdivider of its obligations under any other Section of this Agreement for work or Improvements performed by Subdivider prior to the novation.

19. **Time of the Essence.** Time is of the essence in this Agreement.

20. **Time for Completion of Improvements; Extensions.**

(a) Subdivider shall commence and diligently prosecute to completion construction of all the Improvements required by this Agreement. The time for completion of the Improvements as specified in Subsection 1(b) of this Agreement may be extended as permitted by City ordinance. The City Manager may grant an extension of time for such period as may be in the public interest upon the showing of the Subdivider of good cause. Any such extension granted shall be subject to the limitations and conditions set forth in Subsections 20(b) and (c), below, and shall be made by a writing executed by the in a form as approved by the City Attorney.

(b) Any such extension may be granted without notice to Subdivider's surety and shall not affect the validity of this Agreement or release the surety or sureties on any Improvement Securities given for this Agreement. However, City reserves the right to require as part of any extension amendment a written assurance from the surety acceptable to the City Attorney that the Improvement Securities required by Section 2 of this Agreement shall remain enforceable throughout the term of any extension.

(c) The City Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Subdivider to an extension. In addition, the time for completion of the Improvements shall be extended for any delay resulting from an act of City, or from

an act of God, which Subdivider could not have reasonably foreseen, or by storm or inclement weather which prevents the conducting of work, or by strikes, boycotts, similar actions by employees or labor organizations, which prevent the conducting of work, and which were not caused by or contributed to by Subdivider, provided that Subdivider provides City with written notice of the delaying event within fifteen (15) days of the commencement of the delay. In the event of such delaying event, Subdivider shall use all reasonable efforts to remedy same and resume completion of the Improvements as promptly as practicable.

(d) As a condition of granting an extension of time to complete the Improvements required by this Agreement, the City Manager may require Subdivider to furnish new or additional Improvement Securities guaranteeing performance of this Agreement as extended in an increased amount as necessary to compensate for any increase in construction costs as determined by the City Engineer.

21. Notice. All notices required by or provided for under this Agreement shall be in writing and delivered in person or sent by certified or registered mail, postage prepaid and addressed as provided in this Section. Notice shall be effective on the date it is delivered in person, or, if mailed, on the date of deposit in the United States Mail. Notices shall be addressed as follows unless a written change of address is filed with City:

Notice to City: City of Beaumont
550 E. 6th Street
Beaumont, CA 92223

Attn: City Manager

With a Copy to: John Pinkney, Esq.
SBEMP
1800 East Tahquitz Canyon Way
Palm Springs, CA 92262

Notice to Subdivider:

22. Severability. The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified in writing by the mutual consent of the Parties.

23. Captions. The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction or meaning of any provisions of this Agreement.

24. Insurance.

(a) Subdivider shall, at all times during the construction of the Improvements, obtain, carry, maintain, and keep in full force and effect, at its sole cost and expense, policies of insurance of the types and in at least the minimum amounts described below:

(i) Commercial General Liability policy with a minimum combined single limit of One Million Dollars (\$1,000,000) for each occurrence and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury, death, personal injury and property damage arising out of or in connection with the activities of the Subdivider and its contractors and subcontractors in performance of the work under this Agreement. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001) and shall, in addition to the other coverages specified in this subsection, include coverage for independent contractors, ongoing operations, products and completed operations, contractual liability and personal and advertising injury.

(ii) Commercial Vehicle/Automotive Liability policy covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit, covering any vehicle utilized by Subdivider, its officers, agents, employees, subcontractors or independent contractors in performing the work required by this Agreement.

(iii) Workers' Compensation and Employer's Liability policy for all Subdivider's employees, with Workers' Compensation limits as required by State law and Employer's Liability coverage of \$1,000,000 per accident for bodily injury or disease. In case any work is sublet, Subdivider shall require any contractor or subcontractor similarly to provide Workers' Compensation and Employer's Liability Insurance for all contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Subdivider.

(1) In case any class of employees engaged in work under this Agreement at the work site(s) is not protected under any Workers' Compensation law, Subdivider shall provide and shall cause each contractor or subcontractor to provide, adequate insurance for the protection of employees not otherwise protected.

(2) Subdivider hereby indemnifies City for any damages or claims resulting from failure of either Subdivider or any contractor or subcontractor to take out or maintain such liability or Workers' Compensation insurance.

(b) Insurer Rating; Acceptability. Except as set forth otherwise herein, the policies required by this Section shall be issued by a California-admitted insurer with a rating of at least a A-; VII in the latest edition of Best's Insurance Guide. A Commercial General Liability policy issued by an insurer that is on the California Department of Insurance's List of Approved Surplus Line Insurers ("LASLI") will be acceptable, if no coverage from an

admitted insurer can be obtained by Subdivider, and further provided that such insurer maintains a Best's rating of at least "A-; X" and remains on the LASLI during the term hereof. Workers' Compensation coverage issued by the State Compensation Insurance Fund shall be acceptable if no other coverage can be obtained by Subdivider, and further provided such insurer remains admitted in California and is otherwise financially acceptable to City.

(c) Deductibles. Any deductibles or self-insured retentions must be declared in writing by Subdivider to City and subsequently approved by City prior to its execution of this Agreement and prior to commencement of any work hereunder. At City's option, Subdivider shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Subdivider shall procure a bond guaranteeing payment of losses and expenses.

(d) Certificates and Endorsements Verification. Subdivider shall submit to the City original certificates of insurance and endorsements evidencing the coverages required by this Section. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies at any time and/or to require Subdivider to provide reports or status updates to evidence compliance of its contractors and subcontractors with the provisions of this Section.

(e) Required Endorsements.

(i) The Commercial General Liability and Commercial Vehicle/Automotive Liability policies are to contain or be endorsed to contain the following provisions:

(1) Additional Insureds. The City of Beaumont, its officials, officers, employees, agents and independent contractors shall be named as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Subdivider; and with respect to liability arising out of work or operations performed by or on behalf of the Subdivider including materials, parts or equipment furnished in connection with such work or operations.

(2) Primary Insurance. For any claims related to this project, the Subdivider's insurance coverage shall be primary insurance as respects the City of Beaumont, its officials, officers, employees, agents and independent contractors. Any insurance or self-insurance maintained by the City of Beaumont, its officials, officers, employees, agents and independent contractors shall be excess of the Subdivider's insurance and shall not contribute with it. This endorsement is not applicable to the Commercial Vehicle/Automotive Liability Policy.

(3) Waiver of Subrogation. Endorsements waiving all rights of subrogation against the City of Beaumont, its officials, officers, employees, agents and independent contractors shall be provided.

(ii) The Workers' Compensation policy shall be endorsed to waive all rights of subrogation against the City of Beaumont, its officials, officers, employees, agents and independent contractors.

(f) Other Insurance Requirements. All policies required under this Agreement shall contain provisions stating that such policies cannot be canceled or reduced except on at least thirty (30) days prior written notice to Subdivider (ten (10) days' notice for cancellation due to non-payment). Subdivider further agrees to: (1) provide to City copies of any notices relating to cancellation or reduction of insurance within two (2) days of receipt; and (2) cause all certificates of insurance to include language indicating that the issuers or producers of such policies will endeavor to provide copies of any such notices directly to City.

(g) Commencement of Work. Subdivider shall not commence work under this Agreement until Subdivider has obtained all insurance required pursuant to this Section, and such insurance has been obtained by Subdivider and approved by City; nor shall Subdivider allow any contractor or subcontractor to commence work on the Improvements until all similar insurance required of the contractor or subcontractor has been obtained. Certificates, endorsements, and where applicable, full copies of policies shall be maintained on file with the City Clerk.

(h) Higher Limits. If Subdivider maintains higher limits than the minimums specified in this Section 25, the City requires and shall be entitled to coverage for the higher limits maintained by Subdivider. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

25. Attorneys' Fees. In the event any action at law or in equity is brought to enforce the terms of this Agreement, the prevailing Party shall be entitled to litigation costs and reasonable attorneys' fees.

26. Incorporation of Recitals. The Recitals to this Agreement are hereby incorporated into in the terms of this Agreement.

27. Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes any prior written or oral agreements between them with respect to the subject matter hereof. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate representatives of the Parties.

28. Governing Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. In the event that suit shall be brought by either Party to this contract, the Parties agree that venue shall be exclusively vested in the State courts

of the County of Riverside, California or where appropriate, in the United States District Court, Southern District of California, Riverside, California.

29. Runs with the Land; Recordation.

(a) The Parties agree that the terms and provisions set forth in this Agreement shall be deemed provisions, terms and/or covenants running with the Property in accordance with applicable law, including without limitation, California Civil Code section 1468, and shall pass to and be binding upon the heirs, successors and assigns of the Parties to this Agreement, and on any successor owner of the Property.

(b) The provisions of Subsection 29(a) notwithstanding, Subdivider shall remain jointly and severally liable with its heirs, successors, assigns or successor owners of the Property for the responsibilities and liabilities imposed by this Agreement unless a novation or assignment agreement is executed in accordance with the provisions of Section 18 of this Agreement.

(c) Upon execution, this Agreement shall be recorded in the Official Records of Riverside County, and by such recordation, it is the intention of the Parties to give notice to and bind their successors, heirs and assigns hereto.

30. Authority of Executing Parties. Each person executing this Agreement on behalf of a Party represents and warrants that such person is duly and validly authorized to do so all behalf of the entity it purports to bind and that he/she is authorized to enter into contracts on behalf of Subdivider. The undersigned, on behalf of Subdivider, binds Subdivider, its partners, successors, executors, administrators, and assigns with respect to the terms and provisions of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto on the date above first written.

Subdivider:

City:

CITY OF BEAUMONT
a Municipal Corporation

RSI Communities-California LLC

By: 

By: _____

Kimberly Kraft
Authorized Signatory

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

John Pinkney, City Attorney

APPROVED AS TO CONTENT:

Jeff Hart, Dir. Of Engineering/Public Works

Attachments: Exhibit A
Exhibit B

Legal description of Property
Cost estimates

(Proper Notarization of Subdivider's Signature is required and shall be attached)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange)

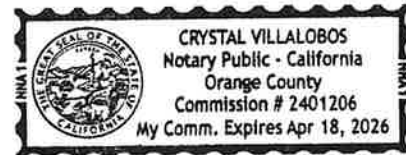
On August 16, 2022 before me, Crystal Villalobos, Notary Public
(insert name and title of the officer)

personally appeared Kimberly Kraft
who 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  (Seal)



IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the 15th of August, 2022.

(Seal)

RLI Insurance Company

SURETY

By: *D. Garcia*

Name: D. Garcia

Title: Attorney-in-Fact

Address: 19800 MacArthur Blvd. Ste 1250

Irvine, CA 92612



(Seal)

RSI Communities-California LLC

PRINCIPAL

By: *Kimberly Kraft*

Name: Kimberly Kraft

Title: Authorized Signatory

By: _____

Name: _____

Title: _____

Address: 6440 Oak Canyon

#200 Irvine, CA 92618

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange)

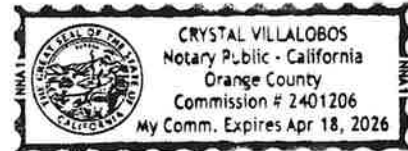
On August 16, 2022 before me, Crystal Villalobos, Notary Public
(insert name and title of the officer)

personally appeared Kimberly Kraft
who 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  (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

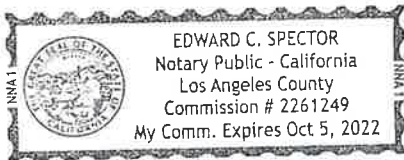
County of Los Angeles

AUG 15 2022

On _____ before me, Edward C. Spector, Notary Public, personally appeared D. Garcia who 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 acknowledgment 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 _____

Edward C. Spector, Notary Public

POWER OF ATTORNEY

RLI Insurance Company Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Janina Monroe, Michelle Haase, Timothy Noonan, Adriana Valenzuela, Jennifer Ochs, Martha Barreras, Sarah Campbell, Rhonda Larson, Charles R. Teter, III, B. Aleman, Erin Brown, D. Garcia, Simone Gerhard, Edward C. Spector, Ethan Spector, Marina Tapia, KD Wapato, Rachel A. Mullen, Lisa Marie Saumur, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed Twenty Five Million Dollars (\$25,000,000.00) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

RLI Insurance Company and/or **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Vice President with its corporate seal affixed this 21st day of February, 2022.



RLI Insurance Company
Contractors Bonding and Insurance Company

By: Barton W. Davis
Barton W. Davis Vice President

State of Illinois }
County of Peoria } SS

CERTIFICATE

On this 21st day of February, 2022, before me, a Notary Public, personally appeared Barton W. Davis, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 15th day of August, 2022.

By: Catherine D. Glover
Catherine D. Glover Notary Public

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Jeffrey D. Fick
Jeffrey D. Fick Corporate Secretary



PAYMENT BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and RSI Communities-California LLC (hereafter designated as "the Principal") have entered into Agreement To Provide Security For Improvements For Tract Map Or Parcel Map Or Plot Plan, 27971-7 dated _____, 20__, whereby Principal agrees to install and complete certain designated public improvements which is hereby incorporated herein and made a part hereof; and

WHEREAS, under the terms of the said agreement, the Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Beaumont to secure the claims to which reference is made in Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, the Principal and the undersigned as corporate surety, are held firmly bound unto the City of Beaumont and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the said agreement and referred to at Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code in the sum of ^{Twenty}* dollars (\$22,000.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered. *Two Thousand and no/100

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

[signatures on following page]

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the 15th of August, 2022.

(Seal)

RLI Insurance Company

SURETY

By: _____

Name: D. Garcia

Title: Attorney-in-Fact

Address: 19800 MacArthur Blvd. Ste 1250

Irvine, CA 92612



(Seal)

RSI-Communities-California LLC

PRINCIPAL

By: _____

Name: Kimberly Kraft

Title: Authorized signatory

By: _____

Name: _____

Title: _____

Address: 6440 Oak Canyon

#200

Irvine, CA 92618

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On August 16, 2022 before me, Crystal Villalobos, Notary Public
(insert name and title of the officer)

personally appeared Kimberly Kraft
who 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.

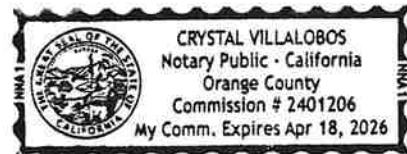
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Crystal Villalobos

(Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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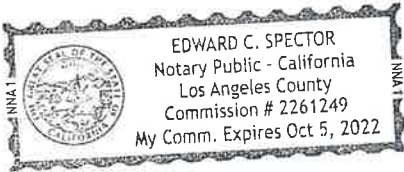
State of California

County of Los Angeles

On AUG 15 2022 before me, Edward C. Spector, Notary Public, personally appeared D. Garcia who 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 acknowledgment 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

A handwritten signature in blue ink, appearing to read "E. Spector", written over a horizontal line.

Edward C. Spector, Notary Public

POWER OF ATTORNEY

RLI Insurance Company Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Janina Monroe, Michelle Haase, Timothy Noonan, Adriana Valenzuela, Jennifer Ochs, Martha Barreras, Sarah Campbell, Rhonda Larson, Charles R. Teter, III, B. Aleman, Erin Brown, D. Garcia, Simone Gerhard, Edward C. Spector, Ethan Spector, Marina Tapia, KD Wapato, Rachel A. Mullen, Lisa Marie Saumur, jointly or severally

in the City of Los Angeles, State of California its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed Twenty Five Million Dollars (\$25,000,000.00) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

RLI Insurance Company and/or **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Vice President with its corporate seal affixed this 21st day of February, 2022.



RLI Insurance Company
Contractors Bonding and Insurance Company

By: Barton W. Davis
Barton W. Davis Vice President

State of Illinois }
County of Peoria } SS

CERTIFICATE

On this 21st day of February, 2022, before me, a Notary Public, personally appeared Barton W. Davis, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 15th day of August, 2022.

By: Catherine D. Glover
Catherine D. Glover Notary Public

RLI Insurance Company
Contractors Bonding and Insurance Company

By: Jeffrey D. Fick
Jeffrey D. Fick Corporate Secretary

